

ADAIR VILLAGE CITY COUNCIL-Final
City Hall - 6030 Wm. R Carr Av.
****Tuesday, October 1, 2019 - 6:00 pm****

1. ROLL CALL – Flag Salute

2. CONSENT CALENDAR: - *The following items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which case the item will be discussed before the Consent Calendar is considered. If any item involves a potential conflict of interest, Council members should so note before adoption of the Consent Calendar.*

- a. Minutes – City Council Meeting – August 6, 2019 (Attachment A)
- b. Bills List through – September 26, 2019 (Attachment B) – \$60,892.52

3. PUBLIC COMMENT (Please limit comments to 3 minutes)

4. STAFF REPORTS:

- a) Community Service Officer (CSO) Report (Attachment C) Jerry Jackson
- b) Public Works (Attachment D) Pat Hare
- c) City Administrator (Attachment E) Pat Hare
- d) Sheriff's Report (Attachment F) Pat Hare
- e) Financial Report-Through September 26, 2019 (Attachments G, G-1) Pat Hare

5. OLD BUSINESS:

- a) N/A Pat Hare
Action: n/a

6. NEW BUSINESS:

- a) Adair Market Lease (Attachment H) Pat Hare
Action: Decision

7. ORDINANCES, RESOLUTIONS, AND PROCLAMATIONS:

- a) Resolution 2019 #6 Supplemental Budget (Attachments I) Pat Hare
Action: Public Hearing/Decision
- b) Ordinance 2019 #02 Establishing SDC Charges (Attachment J, J1) Pat Hare
Action: Reading/Decision

8. EXECUTIVE SESSION ORS 192.660 (e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

- a) Property Transaction
Action: Discussion

9. COUNCIL and MAYOR COMMENTS:

10. ADJOURNMENT:

Next meetings -

City Council –Tuesday, November 5, 2019 6:00 PM
Planning Commission- October 15, 2019 6:00 PM

The Community Center is accessible to person with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting by calling City Offices at 541-745-5507 or e-mail "kathy.edmaiston@adairvillage.org", or Oregon Relay Services by dialing 7-1-1. The City of Adair Village is an Equal Opportunity Employer.

The order in which items on the Agenda are addressed by the City Council may vary from the order shown on the Agenda.

S:\Admin\City Council\Meetings\2019 Meetings\191001 CC Mtg\191001 Agenda.docx

**ADAIR VILLAGE
CITY COUNCIL MINUTES
6030 William R. Carr Avenue**

****Tuesday, September 10, 2019 – 6:00 PM****

Agenda Item	Action
<p>1. Roll Call: City Council Members present: Councilors Real, Ray, Rowe and Mayor Currier were present. City Attorney Sean Kidd was present. CA (City Administrator) Hare was present. Minutes were taken by Utility Clerk Kathy Edmaiston.</p>	<p>Mayor Currier called the meeting to order at 6:00 PM. and led the flag salute.</p>
<p>2. Consent Calendar (Agenda Item 2). Minutes of the August 6, 2019 City Council Meeting Bills List through August 31, 2019, (\$141,597.74 total).</p>	<p>Councilor Real moved to approve the Consent Calendar. Councilor Ray seconded. Unanimous Approval (4-0).</p>
<p>3. Public Comment (Agenda Item 3). None.</p>	
<p>4. Urban Renewal District (Agenda Item 6a), Elaine Howard presented the Council with a power point detailing information regarding urban renewal districts.</p>	<p>Council received the information.</p>
<p>5. Executive Session. The Adair City Council met in Executive Session under Oregon Revised Statutes 192.660 (e) “To conduct deliberations with persons designated by the governing body to negotiate real property transactions.”</p>	<p>Mayor Currier opened the Executive Session at 6:52 P.M. Mayor Currier closed the Executive Session at 7:08 P.M.</p>
<p>6. Action from Executive Session. None.</p>	
<p>7. Attachment C – Community Services Officer (Agenda Item 4a). CSO Jerry Jackson presented the report, as well as information regarding the CERT program.</p>	<p>Council received the report.</p>

<p>8. Attachment D – Public Works Report (Agenda Item 4b). CA Hare presented the report.</p>	<p>Council received the report.</p>
<p>9. Attachment E – City Administrator Report (Agenda Item 4c). CA Hare presented the report.</p> <p>Administration</p> <ul style="list-style-type: none"> • Founders Day – Went great. There were approximately 300 in attendance. • Audit – All in house work has been completed. • Casselle Software – Debbie went to training last week. <p>Property/Businesses</p> <ul style="list-style-type: none"> • ServPro – They are interested in being a part of our emergency preparedness plan. • Barracks – The interior doors and trim are being installed this week. • AV Market/Sweet Taste– The businesses are doing well. <p>Major Projects/Engineering</p> <ul style="list-style-type: none"> • Calloway Creek – They have completed installing the water, wastewater and storm drain infrastructure and are hoping to have the roads in by the end of the month. • SCS Property – The have withdrawn their partition request. • William R. Carr Subdivision – The work on the first two buildings has begun. • Benton County Property – We are still working on setting up a meeting with the Federal Park Agency. 	<p>Council received the report.</p>
<p>10. Attachment F – Sheriff's Report (Agenda Item 4d). CA Hare presented the report.</p>	<p>Council received the report.</p>
<p>11. Attachment G – Financial Report (Agenda Item 4e). CA Hare presented the report. Income is \$449,452.18 and expenses are \$282,168.49. The balance in the Local Government Investment Pool is approximately \$1,361,287.18, last year the balance was \$1,188,830.12.</p>	<p>Council received the report.</p>
<p>12. Attachments, H, H1 (Agenda Item 5a). SDC Public Hearing. Matt Wadlington of Civil West Engineering gave a report to the Council regarding the City of Adair Village System Development Charge Methodology Update.</p> <p>Public Comment in Support: None Public Comment Against: None Neutral Public Comment: None</p> <p>CA Hare will move forward with preparing an Ordinance.</p>	<p>Mayor Currier recessed the City Council meeting and opened the Public Hearing at 7:37 PM.</p> <p>Mayor Currier closed the Public Hearing at 7:41 PM. and reconvened the City Council meeting.</p>

<p>13. Attachment I – Tangent Public Works (Agenda Item 5b). CA Hare provided the Council with a draft of an Agreement between the City of Adair and the City of Tangent.</p>	<p>Councilor Rowe moved to approve the Intergovernmental Agreement between the City of Adair Village and the City of Tangent with the addition of “park space” language. Councilor Ray seconded. Unanimous Approval (4-0).</p>
<p>14. Attachment J – Community Events (Agenda Item 6b). CA Hare presented the Council with a Staff Report from Jessica II regarding holding events for adult citizens of Adair Village.</p> <p>CA Hare will come back to the Council with a draft of a Resolution concerning this matter.</p>	<p>Council discussed the matter.</p>
<p>15. Council and Mayor Comments (Agenda Item 8):</p> <ul style="list-style-type: none"> • Mayor Currier – None. • Councilor Real – None. • Councilor Rowe – None. • Councilor Ray – None. 	
<p>17 Adjournment: Next meeting- Council meeting on Tuesday, October 1, 2019 at 6:00 PM.</p>	<p>Mayor adjourned the meeting at 8:20 PM.</p>

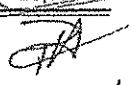
Mayor’s Approval

Date

8:23 AM
09/05/19

City of Adair Village
Unpaid Bills Detail
As of September 5, 2019

Type	Date	Num	Due Date	Aging	Open Balan...	
Best Pots Inc Bill	8/30/2019	Inv# ...	9/9/2019		82.60	23081
Total Best Pots Inc					82.60	
Consumers Power Inc. Bill	9/5/2019	8-19-...	9/15/2019		3,232.11	23082
Total Consumers Power Inc.					3,232.11	
Delapoer Kidd Attorneys at Law Bill	9/5/2019	Inv# 1...	9/15/2019		743.75	23083
Total Delapoer Kidd Attorneys at Law					743.75	
Edge Analytical Laboratories Bill	8/30/2019	Inv# 1...	9/9/2019		29.70	23084
Total Edge Analytical Laboratories					29.70	
Ferguson Enterprises Bill	8/30/2019	Inv#0...	9/9/2019		20,000.00	23085
Total Ferguson Enterprises					20,000.00	
Jessa Campbell & The Saplings Bill	8/29/2019	10/08...	9/8/2019		250.00	23086
Total Jessa Campbell & The Saplings					250.00	
NW Natural Bill	8/30/2019	8/271...	9/9/2019		218.03	23087
Total NW Natural					218.03	
PumpTech Systems, INC Bill	8/30/2019	Inv#1...	9/9/2019		290.49	23088
Total PumpTech Systems, INC					290.49	
Ultrex Bill	8/30/2019	INV7...	9/9/2019		155.00	23089
Total Ultrex					155.00	
TOTAL					<u>25,001.68</u>	


 7/8/19

City of Adair Village
Unpaid Bills Detail

As of September 26, 2019

Type	Date	Num	Due Date	Aging	Open Balan...	
Al's Sweeping Service						
Bill	9/19/2019	Inv# 8...	9/29/2019		750.00	23090
Total Al's Sweeping Service					750.00	
Alsco						
Bill	9/20/2019	INV L...	9/30/2019		59.00	91
Total Alsco					59.00	
B&R Towing and Recovery						
Bill	9/10/2019	9-1-19	9/20/2019	6	250.00	92
Total B&R Towing and Recovery					250.00	
Bank of America						
Bill	9/10/2019	Jul 24...	9/20/2019	6	2,216.96	93
Total Bank of America					2,216.96	
Best Pots Inc						
Bill	9/12/2019	Inv# ...	9/22/2019	4	83.94	94
Total Best Pots Inc					83.94	
Century Link						
Bill	9/5/2019	8-25;...	9/15/2019	11	218.06	95
Total Century Link					218.06	
CIS TRUST						
Bill	9/20/2019	Oct 2...	9/30/2019		6,116.69	96
Total CIS TRUST					6,116.69	
Civil West Engineering Services, Inc						
Bill	9/6/2019	9/3/2...	9/16/2019	10	10,932.50	97
Total Civil West Engineering Services, Inc					10,932.50	
Comcast						
Bill	9/17/2019	Sep1...	9/27/2019		102.85	98
Total Comcast					102.85	
Cornerstone Janitorial						
Bill	9/12/2019	Inv# 7...	9/22/2019	4	271.78	99
Total Cornerstone Janitorial					271.78	
De Lage Landen Financial Services, Inc.						
Bill	9/17/2019	Inv# 6...	9/27/2019		137.55	23100
Total De Lage Landen Financial Services, Inc.					137.55	
Edge Analytical Laboratories						
Bill	9/17/2019	Inv#1...	9/27/2019		644.40	01
Total Edge Analytical Laboratories					644.40	
Ferguson Enterprises						
Bill	9/5/2019	Inv#0...	9/15/2019	11	2,661.16	
Bill	9/12/2019	Inv# 0...	9/22/2019	4	42.71	02
Total Ferguson Enterprises					2,703.87	
Galaxy Stoneworks Inc.						
Bill	9/24/2019	SO# ...	10/4/2019		4,380.00	03
Total Galaxy Stoneworks Inc.					4,380.00	
League of Oregon Cities						
Bill	9/12/2019	Inv# 2...	10/12/2019		743.19	04
Total League of Oregon Cities					743.19	
One Call Concepts						
Bill	9/17/2019	Stm 9...	10/17/2019		40.50	05
Total One Call Concepts					40.50	

City of Adair Village
Unpaid Bills Detail

As of September 26, 2019

Type	Date	Num	Due Date	Aging	Open Balan...	
Pacific Power/PacificCorp Bill	9/17/2019	Sep 2...	9/27/2019		4,566.27	2310
Total Pacific Power/PacificCorp					4,566.27	
RAIN Bill	9/10/2019	Inv# 1...	9/20/2019	6	666.23	23106
Total RAIN					666.23	
Republic Services #452 Bill	9/17/2019	8-31-...	9/27/2019		147.72	23107
Total Republic Services #452					147.72	
SAIF Corporation Bill	9/12/2019	Inv# 6...	9/22/2019	4	959.45	23108
Total SAIF Corporation					959.45	
Simply Payroll Bill	9/10/2019	Inv# 1...	9/20/2019	6	93.80	23109
Total Simply Payroll					93.80	
Smith-Wagar Consulting Bill	9/17/2019	Inv# ...	9/27/2019		3,850.00	23110
Total Smith-Wagar Consulting					3,850.00	
Staples Credit Plan Bill	9/12/2019	9/29/...	9/22/2019	4	150.36	23111
Total Staples Credit Plan					150.36	
USA Blue Book Bill	9/24/2019	Inv# 0...	10/4/2019		144.24	23112
Total USA Blue Book					144.24	
Verizon Bill	9/17/2019	Inv# 9...	9/27/2019		227.75	23113
Total Verizon					227.75	
TOTAL					<u>40,457.11</u>	

40457.11
 - 4566.27

 \$ 35890.84

9/26/19
 9/29/19



Willamette Valley Processors, LLC

End of Month – September

8/29/19 through 9/24/19

CSO	Jerry Jackson
Hours Worked:	Hrs. – 67.5
Complaint Total:	Monthly Case Load Complaints 1 Self-Initiated 17 Total Calls 18

A19-186	8/28/19 11:22 AM	Same vendor showed up to collect owed money from the workers	Observed	Dot and Berg Dr	I will contact the company and ask she stops using the truck for collection.
A19-187	8/30/19 12:06 PM	Dog at large	Observed	6045 William R Carr, Unit 1	Reported to BCSO Animal Control
A19-188	9/3/19 8:10 AM	Storing unauthorized item on the porch	Observed	5224 NE Laurel	Letter explaining violations
A19-189	9/3/19 8:24 AM	Washer in front yard	Observed	130 NE Columbia Ave	Noted

A19-190	9/3/19 8:26 AM	Trailer parked over 4 day limit	Observed	200 Block Cedar	Posted for tow on 9/6/19
A19-191	9/3/19 9:23 AM	Two utility trailers on the side of the house	Observed	111 NE Columbia	Verbal Warning
A19-192	9/3/19 11:31 AM	Same vendor showed up to collect owed money from the workers	Observed	New Construction area	Told her to wrap up the collection
A19-193	9/10/19 9:36 AM	Trailer parked over 4 day limit	Observed/ Complaint	200 Block Cedar	Towed by B & R Towing
A19-194	9/10/19 10:19 AM	Washer in front yard	Observed	130 NE Columbia Ave	Administrative Citation
A19-195	9/17/19 8:58 AM	Boat & Trailer park on side of road	Observed	9000 Block Newton	Check in four days
A19-196	9/17/19 9:04 AM	Unlicensed vehicle	Observed	100 Block of Columbia	h/c 27936
A19-197	9/17/19 9:10 AM	Unlicensed vehicle	Observed	100 Block of Azalea	784HKH
A19-198	9/17/19 9:16 AM	Mattress in backyard moved for the side of garage	Observed	5150 NE Willamette	Administrative Citation
A19-199	9/20/19 9:50 AM	Washer in front yard	Observed	130 NE Columbia Ave	Administrative Citation
A19-200	9/20/19 9:50 AM	Garbage cans left out	Observed	134 NE Columbia Ave	Administrative Citation
A19-201	9/24/19 8:56 an	Trailer parked over 4 day limit	Observed	Barberry	Left card

A19-202	9/24/19 10:17 AM	Park on lawn	Observed	244 NE Azalea	Left ord. info
A19-203	9/24/19 10:19 AM	Park on lawn	Observed	188 NE Azalea	Left ord. info

Wrong Way Driving (0)

Yellow Zone (0)

Prohibited Parking (8)

Grass/Vegetation Warnings (0)

Basketball Hoop on sidewalk 0

Trash Container (1)

Vacation/**Citizen Assist** (0)

Zoning Violation (2)

Animal Control: *Citation was issued through BCSO

City Assist:

- Emergency Management – Adair CERT Training begins 10/9/19
- CERT Final Exercise Benton County 9/21 – Jerry & Phil
- Daily Patrol

Noise (0)

Animal at large (1) *

Livestock/Dog Violations (0)

2019 Chicken Permits 0

Abandon Vehicles (1)

Solid Waste/Littering (5)

Chronic Violation (0)



PUBLIC WORKS
OPERATIONS AND MAINTENANCE REPORT

PERIOD: 7/20/2019 TO 8/20/2019

WATER USE / DISTRIBUTION REPORT

Water Produced: 7,343,384 Million Gallons

Average Usage per Day 244k

WATER DISTRIBUTION REPORT

Maintenance Activity: Water demand continues to decrease, currently the plant is running 3 or 4 days a week. One meter was repaired on Corvallis Hwy and one meter was replaced on Barberry. Staff repaired a broken water line at the waste water treatment plant.

Collected quarterly, Third Quarter Samples have been taken and all samples were satisfactory.

WASTEWATER TREATMENT REPORT

Flows into the WWTP are starting to increase with winter rains. Staff monitor daily flows and adjust accordingly. We will be working with a company to clean the two wastewater lift stations in town the first week in October. Staff will also begin transporting dried solids to the landfill. Total Monthly Influent: 2.1 Million Gallons

Discharged: Discharge from the holding pond to the river will begin in November.

STORM WATER COLLECTION SYSTEM REPORT

Maintenance Activity: Storm drains remain clear with no major issue to report. Staff continues to place storm marking stickers on all drains as time allows. A street sweep was performed the second week in September and staff will continue to clear drains daily.

STREETS MAINTENANCE REPORT

Maintenance Activity: Streets are in good shape. Staff will be working on final weed spraying if weather allows.

CITY HALL / PARKS AND WETLANDS

Maintenance Activity: Mowing has slowed for the year. Grass is still growing but one final mowing in October should be the last of it for the year. Staff will focus on maintenance and winter storage of equipment.

WATER TREATMENT PLANT

Maintenance Activity: The water plant is running really well. Staff has completed the bay cleanings and repaired a water leak at the plant.

WASTEWATER TREATMENT PLANT

Maintenance Activity: The wastewater treatment plant continues to run well with no issues at this time. Staff will continue to monitor and adjust as winter flows increase. Sampling will increase in November when we start our discharge to the river.

Completed by Matt Lydon, Public Works Supervisor



CITY ADMINISTRATOR'S REPORT October 1, 2019 Council Meeting

Administration

- **Alyrica** – They have been working on their design for town and they have begun putting conduit in the new development.
- **Events** – Jessica will be holding her first kids' event on October 8th. There will be a concert for kids that involves education about the earth and our solar system.
- **Caselle Software** – We are going to begin implementing portions over the next two months and we are hoping by the end of the year we are fully operating on the Caselle system.

Property/Businesses

- **Serve Pro** – Serve Pro had a potential buyer for a hemp seed study and production facility. I let Tim and his realtor know that is not allowed in the zoning of that property. The Company is interested in a portion of the Industrial site.
- **Barracks** – The countertops will be installed in the next two weeks and the architectural work is done. We should be able to start utilizing the building this month or next. The City should think about an open house.
- **Farm Foods** – Jim complained about the smell again so we are going to try and seal everything up in the fryer room and look into a filter for the fan.

Major Projects/Engineering

- **Calloway Creek** – The developers have started to excavate for phase three so that they won't have to stop as they are going into spring. I have had to talk with the builder a few times about drainage and sidewalks which caused a few issues but I think we have worked those out.
- **SCS Property** – I have not heard any updates yet on where Brownstone is at in their discussions.
- **William R. Carr Subdivision** – The City has worked with Brian over the last few weeks to get the site cleaned up and keep things off of the street.
- **Benton County Property** – We were able to make a lot of progress on the baseball field/gas station property. We had a meeting with David Siegenthaler the rep from the federal government, and he gave us a path forward.

11:07 AM
 9/26/2019
 Accrual Basis

City of Adair Village
 Profit and Loss Budget vs Actual
 July 2019 through June 2020

Attachment G-1
 191001 CC Mtg

	TOTAL				Total General Fund			
	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
Income								
4001 - Property Taxes--Current	0.00	122,000.00	-122,000.00	0.0%	0.00	122,000.00	-122,000.00	0.0%
4002 - Property Taxes - Prior Year	0.00	2,500.00	-2,500.00	0.0%	0.00	2,500.00	-2,500.00	0.0%
Total 4010 - Government Sources	0.00	188,400.00	-188,400.00	0.0%	0.00	24,400.00	-24,400.00	0.0%
Total 4020 - Rental Income	29,564.96	109,020.00	-79,455.04	27.12%	29,564.96	109,020.00	-79,455.04	27.12%
Total 4030 - Fees	458,508.14	890,276.00	-431,767.86	51.5%	341,011.93	16,500.00	324,511.93	2,066.74%
Total 4050 - Other Income	18,351.26	55,100.00	-36,748.74	33.31%	18,351.26	52,260.00	-33,908.74	35.15%
4060 - Interest	0.00	15,000.00	-15,000.00	0.0%	0.00	15,000.00	-15,000.00	0.0%
Total 4080 - Transfers In	0.00	40,418.00	-40,418.00	0.0%	0.00			
4090 - Beginning Fund Balance	0.00	1,436,213.00	-1,436,213.00	0.0%	0.00	205,000.00	-205,000.00	0.0%
Total Income	506,422.36	2,658,927.00	-2,352,504.64	17.71%	388,928.15	546,920.00	-157,991.85	71.15%
Gross Profit	506,422.36	2,658,927.00	-2,352,504.64	17.71%	388,928.15	546,920.00	-157,991.85	71.15%
Expense								
5000 - Personal Services								
5010 - City Administrator	16,484.00	96,400.00	-79,916.00	17.1%	5,768.40	33,740.00	-27,971.60	17.1%
5016 - Utility/Court Clerk	6,526.80	37,704.00	-31,177.20	17.31%	1,305.36	7,541.00	-6,235.64	17.31%
5018 - Finance Clerk	3,643.10	20,520.00	-16,876.90	17.75%	548.47	3,078.00	-2,529.53	17.75%
5025 - Summer Program Coordinator	4,366.06	13,549.00	-9,182.94	31.78%	4,366.06	13,549.00	-9,182.94	31.78%
5050 - Public Works Supervisor	9,815.97	58,132.00	-48,316.03	16.89%	0.00	2,115.00	-2,115.00	0.0%
5052 - Utility Worker III	0.00	40,227.00	-40,227.00	0.0%	0.00			
5054 - Utility Worker II	7,049.43	0.00	7,049.43	100.0%	0.00			
5058 - Utility Worker I	0.00	4,937.00	-4,937.00	0.0%	0.00			
5081 - Employee Health Ins Benefits	25,073.03	89,840.00	-64,766.97	28.84%	3,510.24	12,801.00	-9,290.76	27.68%
5082 - Retirement Benefits	11,992.53	56,167.00	-44,174.47	21.35%	2,758.28	12,419.00	-9,660.72	22.21%
5085 - Employment Taxes	5,442.40	37,517.00	-32,074.60	14.51%	1,231.82	8,296.00	-7,064.18	14.85%
Total 5000 - Personal Services	90,334.32	452,093.00	-361,758.68	19.98%	18,427.63	93,339.00	-74,911.37	20.81%
Total 5100 - Material & Services	247,672.39	544,075.00	-296,402.61	45.52%	66,488.51	242,755.00	-176,266.49	27.39%
Total 5300 - Capital Outlay	6,130.00	145,000.00	-138,870.00	4.23%	6,130.00	30,000.00	-23,870.00	20.43%
Total 5400 - Debt Service	11,126.83	177,254.00	-166,127.17	8.28%	11,126.83	22,254.00	-11,127.17	50.0%
Total 5500 - Transfers	0.00	40,418.00	-40,418.00	0.0%	0.00	5,000.00	-5,000.00	0.0%
5700 - Contingency	0.00	144,000.00	-144,000.00	0.0%	0.00	50,000.00	-50,000.00	0.0%
7777 - Reserve for Future Expenditure	0.00	1,356,067.00	-1,356,067.00	0.0%	0.00	103,272.00	-103,272.00	0.0%
Total Expense	355,263.54	2,658,927.00	-2,503,663.46	12.43%	103,173.97	546,920.00	-443,746.03	18.88%
Net Income	151,158.82	0.00	151,158.82	100.0%	285,754.18	0.00	285,754.18	100.0%

11:07 AM
 9/26/2019
 Accrual Basis

City of Adair Village
 Profit and Loss Budget vs Actual
 July 2019 through June 2020

Attachment G-1
 191001 CC Mtg

	Reserve Fund				SDG Fund			
	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
Income								
4001 - Property Taxes--Current	0.00				0.00			
4002 - Property Taxes - Prior Year	0.00				0.00			
Total 4010 - Government Sources	0.00				0.00			
Total 4020 - Rental Income	0.00				0.00			
Total 4030 - Fees	0.00				0.00	59,876.00	-59,876.00	0.0%
Total 4050 - Other Income	0.00				0.00			
4060 - Interest	0.00				0.00			
Total 4080 - Transfers In	0.00	9,000.00	-9,000.00	0.0%	0.00			
4090 - Beginning Fund Balance	0.00	121,914.00	-121,914.00	0.0%	0.00	278,299.00	-278,299.00	0.0%
Total Income	0.00	130,914.00	-130,914.00	0.0%	0.00	338,175.00	-338,175.00	0.0%
Gross Profit	0.00	130,914.00	-130,914.00	0.0%	0.00	338,175.00	-338,175.00	0.0%
Expense								
5000 - Personal Services								
5010 - City Administrator	0.00				0.00			
5016 - Utility/Court Clerk	0.00				0.00			
5018 - Finance Clerk	0.00				0.00			
5025 - Summer Program Coordinator	0.00				0.00			
5050 - Public Works Supervisor	0.00				0.00			
5052 - Utility Worker III	0.00				0.00			
5054 - Utility Worker II	0.00				0.00			
5058 - Utility Worker I	0.00				0.00			
5081 - Employee Health Ins Benefits	0.00				0.00			
5082 - Retirement Benefits	0.00				0.00			
5085 - Employment Taxes	0.00				0.00			
Total 5000 - Personal Services	0.00				0.00			
Total 5100 - Material & Services	0.00				4,144.50			
Total 5300 - Capital Outlay	0.00				0.00			
Total 5400 - Debt Service	0.00				0.00			
Total 5500 - Transfers	0.00	31,418.00	-31,418.00	0.0%	0.00			
5700 - Contingency	0.00				0.00			
7777 - Reserve for Future Expenditure	0.00	99,496.00	-99,496.00	0.0%	0.00	338,175.00	-338,175.00	0.0%
Total Expense	0.00	130,914.00	-130,914.00	0.0%	4,144.50	338,175.00	-334,030.50	1.23%
Net Income	0.00	0.00	0.00	0.0%	-4,144.50	0.00	-4,144.50	100.0%

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 9/26/2019
 Accrual Basis

City of Adair Village
 Profit and Loss Budget vs Actual
 July 2019 through June 2020

Attachment G-1
 191001 CC Mtg

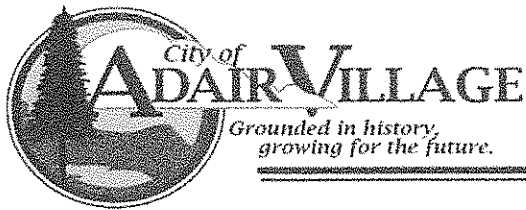
	Storm Drain Fund				Street Fund			
	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
Income								
4001 - Property Taxes - Current	0.00				0.00			
4002 - Property Taxes - Prior Year	0.00				0.00			
Total 4010 - Government Sources	0.00				0.00	64,000.00	-64,000.00	0.0%
Total 4020 - Rental Income	0.00				0.00			
Total 4030 - Fees	4,049.03	27,900.00	-23,850.97	14.51%	0.00			
Total 4050 - Other Income	0.00	200.00	-200.00	0.0%	0.00	200.00	-200.00	0.0%
4060 - Interest	0.00				0.00			
Total 4080 - Transfers In	0.00				0.00			
4090 - Beginning Fund Balance	0.00	6,000.00	-6,000.00	0.0%	0.00	115,000.00	-115,000.00	0.0%
Total Income	4,049.03	34,100.00	-30,050.97	11.87%	0.00	179,200.00	-179,200.00	0.0%
Gross Profit	4,049.03	34,100.00	-30,050.97	11.87%	0.00	179,200.00	-179,200.00	0.0%
Expense								
5000 - Personal Services								
5010 - City Administrator	824.20	4,820.00	-3,995.80	17.1%	824.20	4,820.00	-3,995.80	17.1%
5016 - Utility/Court Clerk	326.34	1,885.00	-1,558.66	17.31%	0.00			
5018 - Finance Clerk	182.16	1,026.00	-843.84	17.75%	182.16	1,026.00	-843.84	17.75%
5025 - Summer Program Coordinator	0.00				0.00			
5050 - Public Works Supervisor	490.80	2,801.00	-2,310.20	17.52%	991.69	5,602.00	-4,620.40	17.52%
5052 - Utility Worker III	0.00	2,011.00	-2,011.00	0.0%	0.00	4,023.00	-4,023.00	0.0%
5054 - Utility Worker II	352.47				704.95			
5058 - Utility Worker I	0.00	353.00	-353.00	0.0%	0.00	353.00	-353.00	0.0%
5081 - Employee Health Ins Benefits	1,253.65	4,347.00	-3,093.35	28.84%	1,504.38	5,389.00	-3,884.62	27.92%
5082 - Retirement Benefits	599.63	2,668.00	-2,068.37	22.48%	719.55	3,274.00	-2,554.45	21.98%
5085 - Employment Taxes	254.90	1,762.00	-1,527.10	14.3%	312.21	2,186.00	-1,873.79	14.28%
Total 5000 - Personal Services	4,284.15	21,693.00	-17,408.85	19.75%	5,229.05	26,673.00	-21,443.95	19.6%
Total 5100 - Material & Services	985.00	7,280.00	-6,295.00	13.63%	19,917.42	22,580.00	-2,762.58	87.82%
Total 5300 - Capital Outlay	0.00				0.00			
Total 5400 - Debt Service	0.00				0.00			
Total 5500 - Transfers	0.00	200.00	-200.00	0.0%	0.00	200.00	-200.00	0.0%
5700 - Contingency	0.00				0.00	7,500.00	-7,500.00	0.0%
7777 - Reserve for Future Expenditure	0.00	4,927.00	-4,927.00	0.0%	0.00	122,147.00	-122,147.00	0.0%
Total Expense	5,269.15	34,100.00	-28,830.85	15.49%	25,146.47	179,200.00	-154,053.53	14.03%
Net Income	-1,220.12	0.00	-1,220.12	100.0%	-25,146.47	0.00	-25,146.47	100.0%

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 Profit and Loss Budget vs Actual
 July 2019 through June 2020

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	Wastewater Fund				Water Fund			
	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
Income								
4001 - Property Taxes—Current	0.00				0.00			
4002 - Property Taxes - Prior Year	0.00				0.00			
Total 4010 - Government Sources	0.00				0.00	100,000.00	-100,000.00	0.0%
Total 4020 - Rental Income	0.00				0.00			
Total 4030 - Fees	32,592.00	215,000.00	-182,408.00	15.16%	80,853.18	571,000.00	-490,146.82	14.16%
Total 4050 - Other Income	0.00	1,000.00	-1,000.00	0.0%	0.00	1,500.00	-1,500.00	0.0%
4060 - Interest	0.00				0.00			
Total 4080 - Transfers In	0.00	8,209.00	-8,209.00	0.0%	0.00	23,209.00	-23,209.00	0.0%
4090 - Beginning Fund Balance	0.00	10,000.00	-10,000.00	0.0%	0.00	700,000.00	-700,000.00	0.0%
Total Income	32,592.00	234,209.00	-201,617.00	13.92%	80,853.18	1,395,709.00	-1,314,855.82	5.79%
Gross Profit	32,592.00	234,209.00	-201,617.00	13.92%	80,853.18	1,395,709.00	-1,314,855.82	5.79%
Expense								
5000 - Personal Services								
5010 - City Administrator	2,472.50	14,480.00	-11,987.40	17.1%	6,593.80	38,560.00	-31,966.40	17.1%
5016 - Utility/Court Clerk	1,631.70	9,428.00	-7,794.30	17.31%	3,263.40	18,652.00	-15,588.60	17.31%
5018 - Finance Clerk	1,082.93	6,156.00	-5,053.07	17.75%	1,639.38	9,234.00	-7,594.62	17.75%
5025 - Summer Program Coordinator	0.00				0.00			
5050 - Public Works Supervisor	2,453.98	14,004.00	-11,550.02	17.52%	5,889.59	33,610.00	-27,720.41	17.52%
5052 - Utility Worker III	0.00	12,068.00	-12,068.00	0.0%	0.00	22,125.00	-22,125.00	0.0%
5054 - Utility Worker II	2,114.83				3,877.16			
5059 - Utility Worker I	0.00	1,410.00	-1,410.00	0.0%	0.00	2,821.00	-2,821.00	0.0%
5081 - Employee Health Ins Benefits	6,266.25	20,528.00	-14,259.75	30.54%	12,536.51	44,075.00	-31,538.49	28.44%
5082 - Retirement Benefits	2,578.40	11,902.00	-9,323.60	21.56%	5,336.67	25,904.00	-20,567.33	20.6%
5085 - Employment Taxes	1,229.58	7,950.00	-6,729.42	15.35%	2,423.89	17,303.00	-14,879.11	14.01%
Total 5000 - Personal Services	19,833.27	97,904.00	-78,070.73	20.26%	41,560.22	212,484.00	-170,923.78	19.56%
Total 5100 - Material & Services	18,816.79	67,615.00	-48,798.21	27.83%	137,319.17	203,745.00	-66,425.83	67.4%
Total 5300 - Capital Outlay	0.00				0.00	115,000.00	-115,000.00	0.0%
Total 5400 - Debt Service	0.00	30,000.00	-30,000.00	0.0%	0.00	125,000.00	-125,000.00	0.0%
Total 5500 - Transfers	0.00	400.00	-400.00	0.0%	0.00	3,200.00	-3,200.00	0.0%
5700 - Contingency	0.00	6,500.00	-6,500.00	0.0%	0.00	80,000.00	-80,000.00	0.0%
7777 - Reserve for Future Expenditure	0.00	31,790.00	-31,790.00	0.0%	0.00	656,280.00	-656,280.00	0.0%
Total Expense	38,650.06	234,209.00	-195,558.94	16.5%	178,879.39	1,395,709.00	-1,216,829.61	12.82%
Net Income	-6,058.06	0.00	-6,058.06	100.0%	-98,026.21	0.00	-98,026.21	100.0%



STAFF REPORT
Attachment G – Financial Report
October 10, 2019 Council Meeting

Totals - Income shown for Fiscal Year 2019 is \$506,422.36 (17.71% of budget) and Expenses are \$355,263.54 (12.43% of budget), which shows a Net Income of \$151,158.82 for all funds.

Category	Expenses	Percent of Budget
Personnel Services	\$90,334.32	19.98%
Materials & Supplies	\$247,672.39	45.52%
Capital Outlay	\$6,130.00	4.23%
Debt Service	\$11,126.83	6.28%

Totals by Fund – Income and Expenses for each Fund are shown below.

Fund	Income	Expenses	Difference
General	388,928.15	103,173.97	285,754.18
Reserve	0.00	0.00	0.00
SDC Fund	0.00	4,144.50	-4,144.50
Storm Drain	4,049.03	5,269.15	-1,220.12
Streets	0.00	25,146.47	-25,146.47
Wastewater	32,592.00	38,650.06	-6,058.06
Water	80,853.18	178,879.39	-98,026.21
TOTAL	\$506,422.36	\$355,263.54	151,158.82

We have approximately **\$1,361,287.18** in the Local Government Investment Pool (LGIP). Last month we had **\$1,361,287.18**. Last year on 10/02/2018 we had \$1,202,701.18.

LEASE

Parties

This **COMMERCIAL LEASE AGREEMENT** is made and entered into this 1st day of January 2020, by and between the City of Adair Village, hereinafter called the “Lessor” and MAM LLC herein after called “Lessee”.

Premises

The real property commonly known as 6002 NE William R. Carr Street, Suite A situated in City of Adair Village, Benton County, State of Oregon. A space in the building consisting of approximately 2027 square feet zoned Highway Commercial. The use and occupancy by Lessee shall include the use, in common with others entitled thereto, of the common area walkways, drive lanes and customer parking facilities.

TERM OF LEASE AND RENT

In consideration of the mutual promises and obligations contained herein, Lessor leases the Premises to Lessee for a term commencing on January 1st, 2020 and continuing through December 31st, 2022^{at} the following monthly rentals, which sums shall be payable in advance on or before the first day of each calendar month throughout the Lease term, without notice or demand, deduction or offset.

January 1, 2020 through December 31, 2022	\$ 1,520.25 per month
January 1, 2022 through December 31, 2024	\$1,722.95 Per month

Notwithstanding the above, the first full month’s rental of \$ 1,520.25 shall be paid upon Lessee’s signing of the Lease.

This Lease is subject to the following terms to which the parties agree:

SECTION 1: OCCUPANCY

1.1 Payment of Rent. Lessee shall pay the specified rent when due in lawful money of the United States at Lessor's address stated in this lease or such other address as Lessor shall designate by notice to Lessee. Any rent not paid within ten (10) days from the due date shall bear interest in the manner stated in paragraph 13.6

1.2 Delivery of Possession. Delivery of possession shall be granted to Lessee, subject to the terms, conditions and obligations of this lease, upon full execution of this lease by all parties to be bound.

1.3 Condition of Premises. Lessor makes no warranty as to the adequacy of the Premises for the intended use by Lessee, and Lessee accepts the Premises in their current "where-is as-is" condition and based upon its own inspection and not upon any representation by Lessor except as may be specifically stated in this lease.

1.4 Security Deposit To secure Lessee's compliance with all terms of this lease, Lessee shall pay Lessor the sum of \$ 2,000.00 (two thousand dollars), as a deposit. The deposit shall be a debt from Lessor to Lessee, refundable within 30 days following the expiration of this lease term or other termination not caused by Lessee's default. Lessor shall have the right to offset against the deposit any sums owing from Lessee to Lessor and not paid when due, any damages caused by Lessee's default, the cost of curing any default by Lessee should Lessor elect to do so, and the cost of performing any repair or cleanup that is Lessee's responsibility under this lease. Offset against the deposit shall not be an exclusive remedy in any of the above cases, but may be invoked by Lessor at its option, in addition to any other remedy provided by law of this lease for Lessee's nonperformance. Lessor shall give notice to Lessee each time an offset is claimed against the deposit, and, unless the lease is terminated, Lessee shall within 10 days following such notice deposit with Lessor a sum equal to the amount of the offset so that the total deposit amount, net to offset, shall remain constant throughout the lease term.

SECTION 2. USE OF PREMISES

2.1 Permitted Use. Lessee shall use and permit the Premises to be used for a Market/Convenience Store and for no other purpose unless approved in advance by the Lessor. Lessee shall operate the above business every day in the manner customary for such businesses, except during the time and to the extent such use is prevented by fire, flood, labor disputes, government edict or any other cause beyond Lessee's control.

2.2 Restrictions on Use.

(a) Conform to all applicable laws and regulations of any public authority affecting the use of the premises and to correct at Lessee's own expense any failure of compliance created through Lessee's fault or by reason of Lessee's use or make and complete any structural changes or repairs that become necessary during the term of this lease with the Lessor's approval.

(b) Refrain from any use which would be reasonably offensive to other tenants or owners or users of neighboring premises or which would tend to create a nuisance or damage the reputation of the premises.

(c) Refrain from conducting any activity or creating any conditions in or about the Premises in violation of any federal, state, or municipal laws or orders.

(d) Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the premises without the written consent of Lessor. Prior to making any improvements or modifications to the building, the plans must be submitted in writing to the City administrative manager 30 days prior to the upcoming City Council meeting for their review and approval.

(e) Refrain from the use any electrical equipment that will overload the electrical circuits. Any changes to wiring shall be paid by Lessee.

(f) Refrain from placing or erecting any external shed, building, container or other structures without prior permission from Lessor.

2.3 Signs and Attachments. Lessee shall not, without Lessor's prior written consent as to scale, design, and placement, place any sign, advertisement, notice, mural, graphics, marquee, awning, decoration, aerial or attachment in, on or to the roof, front, windows, doors or exterior walls of the Premises. Any such sign or attachment placed upon or about the Premises by Lessee with Lessor's consent shall become the property of the Lessor, however shall be removed at Lessee's expense upon termination of their Lease if Lessor request it be removed, and all damage caused by the removal or installation shall be repaired at Lessee's expense.

2.4 Removal of Debris. Lessee shall keep the sidewalks abutting the Premises, the parking areas, and all entrances free and clear of ice, debris and obstructions of every kind.

2.5 Alterations. All work shall be performed in a workmanlike manner using licensed and bonded labor, and Lessee shall provide Lessor with plans and specs of all proposed alterations and shall obtain Lessor's written approval and consent prior to commencement of any alterations or additions to the Premises. Any such additions, alterations or improvements, except for unattached moveable trade fixtures, shall at once become a part of the realty and belong to the Lessor, and shall not be removed by Lessee, unless the terms of consent provide otherwise.

SECTION 3. REPAIRS AND MAINTENANCE

3.1 Lessee's Obligations. During the term of this lease Lessee shall at all times maintain the Premises in a neat condition free of trash and debris and in good working order and repair. Lessee's responsibilities shall include, without limitation, the following:

(a) Performance of all routine maintenance and repair upon electrical fixtures, switches, and wiring from the service panel, plumbing, water lines, sewer facilities from point of entry to the Premises, doors, windows and related hardware, ceilings, interior walls and floors, however Lessor shall be responsible for replacement of plumbing and electrical equipment, except light bulbs and ballasts, by reason of obsolescence and defects not caused by neglect of Lessee, its agents, or employees.

(b) Replacement of all broken or cracked glass with glass equal to the quality of existing glass at the time of commencement of the term.

(c) Performance of all routine maintenance and repairs and inspections upon the heating units, air conditioning units used in connection with the Premises, and any fixtures and equipment installed by Lessor or Lessee in the Premises.

3.2 Lessor's Obligations. During the term of this lease Lessor agrees to maintain in good order, repair and condition the exterior walls, roof, and gutters, down spouts, common areas, foundation, sidewalks, parking lot and grounds thereabout. Lessor shall be responsible for major repairs, in excess of \$ 500.00, to the HVAC system, plumbing to point of entry to Premises, electrical systems to the point of service panel to Premises, unless such repairs/replacement is due to a negligent act or omission by Lessee, its invitees, agents or employees.

3.3 Conditions of Lessors' Liability. Lessor shall have no duty to make any repairs which are its obligation under this Lease until Lessee has given written notice to Lessor of the repairs to be made or condition that needs to be corrected. Lessor will make any repair required within a reasonable time following notice from Lessee.

3.4 Lessor's Interference With Lessee. Any repairs, replacement, alterations or work performed on or about the Premises by Lessor shall be done in such a way as to interfere as little as reasonably possible with the use of the Premises by Lessee.

SECTION 4. UTILITIES, TAXES, INSURANCE, ASSESSMENTS AND COMMON AREAS

4.1 Utilities. Lessee shall pay when due all charges for lights, heat, garbage collection, water and sewer and any other utilities furnished to the premises.

4.2. Taxes Lessee will pay to Lessor its proportionate share of all ad valorem taxes of any kind whatsoever levied against the land and building, Including improvements thereon. For the tax years, which include the

beginning and/or the end of the term, Lessee shall be liable only for that portion of the taxes prorated for the months of its occupancy during the respective tax year. A tax bill submitted by Lessor to Lessee shall be sufficient evidence of the amount of taxes assessed or levied against the parcel or real property to which the bill relates. The taxes will be due monthly in addition to the monthly rent. The monthly property tax liability will be adjusted annually when the new tax bills arrive. Lessee shall pay when due all taxes assessed against its personal property located on the premises.

4.3. Insurance Lessee shall at all times during this lease maintain and bear the expense of a standard form of fire insurance and extended coverage, which shall provide adequate coverage of the fixtures, equipment, and all improvements for which Lessee is responsible, including those under paragraphs 3.1 and 5.3. Such insurance shall be in a form, amount and company satisfactory to Lessor, excepting that which would apply to Lessee's personal property. All such insurance policies or certificates from the issuers evidencing the required coverage and requiring ten (10) days written notice to Lessor prior to any cancellation or change in policy terms shall be delivered to Lessor. Lessee shall provide proof of it having insurance in force, prior to taking possession of the Premises or anytime thereafter during the term of this Lease upon Lessor's written request. Lessee's failure to maintain such insurance, in full force during the term of the Lease, shall be considered a material breach of the Lease subject to all remedies afforded Lessor as provided in the Lease as a result thereof.

(a) Neither party shall be liable to the other, or to the other successors or assigns, for any loss or damage caused by fire or any other risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other.

4.4 Assessments. Lessee shall be responsible for its proportionate share of any assessments or charges of any governmental body made against the land and building of which the Premises are a part during the term of this Lease for any public improvements, including, but not limited to, providing paving, sidewalks, sewers, public finance improvements or charges.

4.5 Common Area Charges. In each lease year hereof, Lessee shall pay to Lessor, in addition to the rentals specified herein, as further additional rent, a proportion of the operating costs based upon the ratio of the square feet of the Premises to the total square feet of the building.

(a) For the purpose of this section, the “operating cost” shall mean the total costs and expenses incurred in operating and maintaining the common facilities, hereinafter defined, actually used or available for use by Lessee and the employees, agents, customers and other invitees of Lessee, excluding only terms of expense commonly known and designated as carrying charges, but specifically including without limitation, gardening and landscaping, roof repairs, excluding structural or re-roofing, the cost of fire, liability and property damage insurance,, repairs, line painting, lighting, sanitary control, removal of snow, trash, rubbish, garbage, refuse and property management.

SECTION 5. DAMAGE AND DESTRUCTION

5.1 Partial Damage. If the leased Premises or the building of which the Premises are a part shall be partly damaged by fire, windstorm or other casualties and paragraph 5.2 below does not apply, Lessor shall, subject to 5.3, repair the damage and restore to a condition comparable to that existing prior to the damage. Repair shall be accomplished with all reasonable dispatch, subject to interruptions and delays from labor disputes and other causes beyond Lessor’s reasonable control. Rent shall be abated during the period and to the extent the Premises are not reasonably usable for the use permitted by this Lease, except where the damage is the fault of the Lessee or Lessee is otherwise liable for the cost of repair.

5.2 Destruction. If the leased premises are destroyed or damaged such that the building may not be occupied by Lessee, either party may elect to terminate the lease as of the date of damage or destruction by notice given to the other in writing not more than 30 days following the date of damage. In such event all rights and obligations of the parties shall cease as of the date of termination. If neither party elects to terminate, Lessor may proceed to restore the leased premises to substantially the same form as prior to the damage or destruction

5.3 Repair of Lessee's Property. Repair, replacement or restoration of any fixture or personal property owned by Lessee or any additions or improvements to the Premises constructed by the Lessee shall be the responsibility of the Lessee regardless of the cause of the damage. Lessee shall pay all costs of moving its property when this is required in connection with repairs of the Premises for which Lessor is responsible.

SECTION 6. EMINENT DOMAIN

6.1 Partial Taking. If a portion of the premises is condemned or purchased in lieu of condemnation and paragraph 6.2 does not apply, this Lease shall continue on the following terms.

(a) Lessor shall be entitled to all of the proceeds of condemnation and Lease shall have no claim against the Lessor as a result of condemnation.

(b) Lessor shall proceed as soon as reasonably possible to make such repairs and alterations to the Premises as are necessary to restore the remaining Premises to a comparable as reasonably practicable to that existing time of the condemnation. Rents shall be abated to the extent the Premises are untenable during the period of alteration and repair. Rents shall be reduced in proportion to the reduction in reasonable value of the Premises for Lessee use caused by the condemnation.

6.2 Total Taking If a condemning authority takes all of the building of which the Premises are a part or a portion of either sufficient to render the remaining Premises reasonably unsuitable for the use which Lessee was then making of the Premises, the Lease shall terminate as of the date the title vests in the condemning authorities or the date that Lessee surrenders possession of the property, whichever is later, and the provisions of Section 11 covering termination shall apply. In such event, Lessor shall be entitled to all of the proceeds of condemnation, and Lessee shall have no claim against Lessor as a result of the condemnation.

6.3 Lessees recovery. Although all damages in the event of any condemnation are to belong to Lessor whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee of the

Premises, Lessee shall have the right to claim and recover from the condemning authority, but not Lessor, such compensation as may be separately awarded or recoverable by reason of the condemnation and for or on account of any cost or loss to which Lessee might be put in removing Lessee's merchandise, furniture, fixtures, leasehold improvements and equipment.

SECTION 7. LIABILITY TO THIRD PERSONS: LESSOR'S LIABILITY TO LESSEE

7.1 Indemnification of Lessor. Lessee shall indemnify and defend Lessor from any claim, liability, damage or loss arising out of or relating to any activity of the Lessee, its agents or invitees on the Premises or any condition existing in the Premises. However, this provision shall not be construed to relieve Lessor from responsibility for any loss or damage caused to Lessee or others solely as a result of negligence or willful acts of Lessor or its employees.

7.2 Acts of Other Tenants. Lessor shall have no liability to Lessee for acts of other tenants/users who may be occupying any adjacent premises on the property.

7.3 Liens. Lessee shall pay as due all claims for work done on and for services rendered or materials furnished to the Premises at its request, and shall keep the Premises free from any liens. If Lessee fails to pay any such claims or to discharge any lien, Lessor may do so and collect all costs of such discharge, including its reasonable attorney's fees. Such actions by Lessor shall not constitute a waiver of any right or remedy which Lessor may have on account of Lessee's default. If a lien is filed as a result of nonpayment Lessee shall, within 10 days after knowledge of the filing, secure the discharge of the lien or deposit with Lessor cash or a sufficient corporate surety bond in an amount sufficient to discharge the lien, plus any costs, attorney's fees and other charges that could accrue as a result of a foreclosure or sale under the lien.

7.4 Liability Insurance Lessee shall, at its expense, carry public liability and property damage insurance with limits of not less than \$1,000,000 for injury to one person in one occurrence, \$2,000,000 for injury

to two or more persons in one occurrence, and \$500,000 damage to property. Such insurance shall be in a form satisfactory to Lessor, shall protect Lessor and Lessee against the claims of third persons and shall include an endorsement covering the indemnification liability assumed by Lessee under paragraph 7.1 of this Lease. Prior to Lessee taking possession of the Premises, Lessee shall furnish certificates evidencing such insurance coverage bearing endorsements requiring ten (10) day's written notice to Lessor prior to any change or cancellation of the policy.

SECTION 8. ASSIGNMENT AND SUBLEASE

Prohibition on Assignment. No part of the Premises may be assigned, mortgaged, or subleased by Lessee, nor may a right of use of any portion of the Premises be conferred on any third person by any other means, without the prior written consent of Lessor. This provision shall apply to all transfers by operation of law and transfers to and by trustees in bankruptcy, receivers, administrators, executors and legatees. No consent in one instance shall prevent this provision from applying to a subsequent instance. Notwithstanding any assignment or sublease. Lessee shall remain fully liable on the Lease and shall not be released from performance under the terms, covenants and conditions of the Lease. Lessor shall have the right to charge a reasonable fee for administrative expenses in connection with any assignment or sublease to which it gives its consent.

SECTION 9. DEFAULT

9.1 Insolvency. The following are events of default: Insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of any involuntary petition in bankruptcy and failure of Lessee to secure a dismissal of the petition within 60 days after filing; attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure discharge of the attachment or release of the levy of execution within 30 days. If Lessee consists of two or more individuals or business entities, the events of default specified in this paragraph shall apply to each individual unless within ten (10) days after an event of default occurs, the

remaining individuals produce evidence satisfactory to Lessor that they have unconditionally acquired the interests of the one causing default.

9.2 Abandonment. Failure of Lessee for 15 days or more to occupy the property for one or more of the purposes permitted under this lease unless such failure is excused under other provisions of this lease shall be an abandonment of the property.

9.3 Noncompliance by Lessee. Lessee's failure to comply with any term or condition or fulfill any obligation of this Lease (other than the payment of rent or other charges) within fifteen (15) days after written notice by Lessor specifying the nature of the default. If the default is of such a nature that it cannot be completely remedied within the fifteen (15) day period, this provision shall be complied with if Lessee begins correction of the default within the fifteen (15) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

SECTION 10. REMEDIES ON DEFAULT

10.1 Re-Entry. In the event of a default, Lessor may elect to terminate Lessee's right to possession of the Premises by notice in writing to the Lessee. Following such notice, Lessor may re-enter, take possession of the Premises and remove any persons or property by legal action or by self help, with the use of reasonable force and without liability for damages. Lessor shall have a security interest in Lessee's property on the Premises at the time of re-entry to secure all sums owed or to become owing Lessor under this Lease. Perfection of such security interest shall be by taking possession of the property or otherwise as provided by law.

10.2 Reletting. Following a re-entry by Lessor because of Lessee's default, Lessor may relet the Premises for a term longer or shorter than the term of this Lease and upon any reasonable terms including the granting of rent concessions to the new tenant. Lessor may alter, refurnish or change the character or use of the Premises in connection with such reletting. No such reletting by Lessor following Lessee's default shall be constructed as an acceptance of a surrender of the Premises. If rent received upon reletting

exceeds rent received under this Lease, Lessee shall have no claim to the excess.

10.3 Damages for Default. In the event of termination on default, Lessor shall be entitled to recover the following amounts as damages: All unpaid rent or other charges for the period prior to re-entry, plus interest provided in paragraph 13.6. An equal amount to the rental lost during any period in which the Premises are no relet. The reasonable costs of reentry and reletting including without limitation the cost of any cleanup, refurbishing, removal of Lessee's property and fixtures, or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, attorney fees, court costs, broker commissions, and advertising costs.

10.4 Lessee's Possession Following Default. In the event that Lessee remains in possession following default and Lessor does not elect to re-enter Lessor may recover all unpaid rent or other charges, and shall have the right to cure any non-monetary default and recover the cost of such cure from Lessee, plus interest at a rate of 12% per annum from the date of the expenditure. In addition, Lessor shall be entitled to recover attorney's fees reasonably incurred in connection with the default, whether or not litigation is commenced. Lessor may sue to recover such amounts as they accrue, and no one action for accrued damages shall bar a later action for damages subsequently accruing.

10.5 Remedies Cumulative. The foregoing remedies shall not be exclusive but shall be in addition to all other remedies and rights provided under applicable law, and no election to pursue one **remedy** shall preclude resort to another consistent remedy.

SECTION 11. SURRENDER ON TERMINATION

11.1 Surrender of Premises. Upon expiration of the lease term or earlier termination on account of default, Lessee shall deliver all keys to Lessor and surrender the leased premises in good condition, repair and broom clean. Alterations constructed by Lessee with permission from Lessor shall not be removed or restored to the original condition unless the terms of permission for the alteration so require. Depreciation and

wear from ordinary use for the purpose for which the Premises were let need not be restored, but all repairs for which Lessee is responsible shall be completed prior to such surrender. Lessee's obligations under this paragraph shall not apply in case of termination of the Lease because of destruction of the Premises.

11.2 Fixtures. All fixtures placed upon the leased Premises during the term, other than Lessee's moveable trade fixtures shall, at Lessor's option, become the property of the Lessor. If Lessor so elects, Lessee shall remove any or all fixtures which would otherwise remain the property of Lessor, and shall repair any physical damage resulting from the removal. If Lessee fails to remove such fixtures, Lessor may do so and charge the cost to the Lessee with interest at 12% per annum from the date of expenditure.

11.3 Removal of Lessee's Property. Lessee shall remove all furnishings, furniture, and moveable trade fixtures which remain the property of the Lessee. If Lessee fails to do so, this shall be considered an abandonment of the property and Lessee shall have no further rights therein and Lessor may retain or dispose of the property as it sees fit.

11.4 Holdover. Should Lessee fail to vacate the Premises when required, Lessor may elect to treat Lessee as a tenant from month to month subject to all provisions of this Lease, except for the provisions for term, or Lessor may elect to take legal action to eject Lessee from the Premises and to collect any damages caused by Lessee's wrongful holding over. Lessee's failure to remove property as required by paragraph 11.3 above shall constitute a failure to vacate to which paragraph 11.4 shall apply if the property not removed will substantially interfere with occupancy of the Premises by another tenant or with occupancy by Lessor for any purpose including preparation for a new tenant.

SECTION 12. ARBITRATION

12.1 Disputes Arbitrable. If any dispute arises between the parties to this Lease regarding the extent of rent abatement under paragraph 5.1, the extent of damage under paragraph 5.2, the extent of rent reduction to be made under paragraph 6.1, or whether paragraph 6.2 applies following a partial taking of the Premises by condemnation, either party may request

arbitration and appoint as arbitrator one independent real estate broker or appraiser having knowledge regarding evaluation of rental property comparable to the Premises. If the dispute is not resolved within ten (10) days after such notice, the responding party shall likewise choose an arbitrator meeting the above qualifications. The two arbitrators shall within five (5) days choose a third having the above qualifications. If the choice of the second or third arbitrator is not made within five (5) days after the end of the period in which the choice is to be made, then either party may apply to the presiding judge of the Judicial District in which the Premises are located who shall appoint the required arbitrator.

12.2 Submission of Dispute. At any time within twenty (20) days after appointment of the third arbitrator, either party may submit the dispute for settlement by arbitrators.

12.3 Procedure for Arbitration. The arbitrator(s) shall proceed according to the Oregon Statutes governing arbitration, and the award of the arbitrator shall have the affect therein provided. The arbitration shall take place in the county in which the Premises are located. Cost of the arbitration shall be shared equally by both parties, but each party shall pay its own attorney fees incurred in connection with the arbitration.

SECTION 13. GENERAL PROVISIONS

13.1 Nonwaiver. Waiver of Lessor of strict performance of any provision of this Lease shall not be a waiver of or prejudice the Lessor's right otherwise to require strict performance of the same provision or of any other provision.

13.2 Actions and Suits. If suit or action beyond arbitration is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in addition to costs, such sum as the court may adjudge reasonable as attorney fees at trial and upon any appeal of such suit or action. If any action brought to enforce this Lease or arising out of the relationship between the parties created by this Lease, the parties agree that all issues in any such actions shall be tried by a judge and not by a jury.

13.3 Notices. Lessor and Lessee agree that any notice required or permitted to be given hereunder shall be deemed to have been given when deposited in the United States mail, certified, return receipt requested, postage fully prepaid, and with respect to Lessor, addressed to: City of Adair Village, Attention: Drew Foster or current City Administrator, 6030 NE William R Carr Street, City of Adair Village OR 97330: and with respect to Lessee, Birpal S. Johal, 135 S Bridge Street, Sheridan OR 97378-1805.

13.4 Succession. Subject to the prescribed limitations on transfer of Lessee's interest, this lease shall be binding upon and insure to the benefit of the parties, their executors, administrators, successors and assigns.

13.5 Entry for Inspection. Lessor shall have the right to enter the Premises at any reasonable time to determine Lessee's compliance with this Lease, to make necessary repairs to the building or to the Premises, or to show the Premises to any prospective tenant or purchaser, and in addition shall have the right, to place upon the Premises any notices for selling of the Premises, and at any time during the last two months of the term of this Lease, to place and maintain upon the Premises, notices for leasing or selling of the Premises.

13.6 Interest on Rent and Other Charges. Any rent or other payment required of Lessee by this Lease shall, if not received by Lessor within 10 days after it is due, shall be subject to a five (5%) late charge as additional rent. Any unpaid monies due shall accrue interest at 12% per annum from the due date until paid.

13.7 Proration of Rent. In the event of commencement or termination of this Lease at a time other than the beginning or end of one of the specified rental periods, then the rent shall be prorated as of the date of commencement or termination for reasons other than default, all prepaid rent shall be refunded to Lessee or paid on his account.

13.8 Lessor's Conveyance. Any conveyance of the Premises by Lessor during the term of this Lease shall be subject to this Lease, and following any such conveyance, Lessor shall be discharged from all obligations under this Lease except those already accrued.

13.9 Improvements By Lessee. Lessee is accepting the Premises in its current “where is as is” condition based upon its own inspection and not upon any representations by Lessor or Lessor’s agent, except as may otherwise be stated within this Lease. Any and all improvements required by Lessee, or as may be required by virtue of any city law, order, regulation, or ordinance as a condition for development by Lessee, without limitation, shall be performed at Lessee’s sole cost and expense. All work shall be performed in a workmanlike manner, with Lessee having obtained Lessor’s written permission and approval as to type, extent, design and placement prior to commencement of any alterations, modifications, or improvements being installed in or about the Premises, which consent shall not be unreasonably withheld.

13.10 Improvements By Lessor. Lessor shall have the existing electrical, plumbing and HVAC systems in proper working order at time of delivery of possession. Should these items require Lessor’s attention, and such is not due to any alterations or improvements by Lessee, then Lessee shall so notify Lessor by no later than the commencement of the lease term, thereafter same shall be Lessee’s responsibility as to its maintenance/repair excepting as otherwise provided in this lease.

13.11 Parking. Lessee shall be entitled to the nonexclusive right with others entitled thereto to use the common parking areas of the building, for the use of Lessee’s invitees and employees. Lessor reserves the right, at Lessor’s sole discretion, to allocate and assign numbered parking spaces to Lessee based on a pro rata share as defined by comparing the square feet of the Premises to the total square feet of all space capable of being leased in the building. Additionally, Lessor reserves the right to designate some of the spaces as “visitor parking” as Lessor deems reasonably for the harmonious operation/management of the building.

13.12 Hazard Substances. Lessee shall not cause or permit any hazard substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises. Lessee may use or otherwise handle on the Premises only those hazardous substances typically used or sold in the prudent and safe operation of Lessee’s business. Lessee may store such hazardous substances on the Premises, which shall be done in compliance with all applicable Federal, State or local statute, regulation or ordinance or any judicial or other governmental laws pertaining to the protection of health,

safety or the environment, only in quantities necessary to satisfy Lessee's reasonably anticipated needs. Lessee shall comply with all environmental laws and exercise the highest degree of care in the use, handling and storage of hazardous substances and shall take all practical measures to minimize the quantities and toxicity of hazardous substances used, handled, or stored on the Premises. Upon the expiration or termination of the Lease, Lessee shall remove all hazardous substances from the Premises.

13.13 ADA Standards. Lessor shall be responsible for any alterations, modifications or improvements to be made upon the common areas due to any applicable Federal, State, County or City law, order, regulation, or ordinance, and shall indemnify and hold Lessee harmless from any action as a result thereof. Lessee shall be responsible for any alterations or modifications within the demised Premises as may be required by virtue of any Federal, State, County or City law, order, regulation, ordinance within the Premises. Lessee shall indemnify and hold Lessor harmless from any actions as a result thereof. Each party agrees to notify the other party immediately upon receipt of any claims, asserted or threatened, arising out of an alleged failure to comply with the ADA or any regulation promulgated thereunder with respect to the leased Premises.

13.14 Subordination. Upon request of Lessor, Lessee will subordinate its rights hereunder to the lien of any mortgage or mortgages or the lien resulting from any other method of financing or refinancing now or hereafter in force against the land and building comprising the Premises, and to all advances made or hereafter to be made upon the security thereof, and Lessee shall execute such documents as may be reasonably requested by Lessor or the holder of the encumbrance to evidence this subordination.

13.15 Estoppel. Lessee shall within twenty (20) days after notice from Lessor, execute, acknowledge and deliver a certificate certifying whether this Lease has been modified and is in full force and effect; whether there are any modifications or alleged breaches by Lessor; the dates to which rent has been paid in advance and the amount of any security deposits or prepaid rent; and any other facts that may reasonably be requested by the lender of Lessor. Failure to deliver the certificate within the specified time shall be conclusive upon Lessee that the Lease is in full force and effect and has not been modified except as may be represented by the Lessor. If

requested by the holder of any encumbrance, Lessee will agree to give such holder or Lessor notice of and the opportunity to cure any default by Lessor under this Lease.

13.16 Right to Early Termination. Either party may cause this lease to terminate prior to its scheduled conclusion strictly provided (i) the party so terminating delivers written notice to the other party a minimum of 180 days prior to the date of termination and, (ii) said notice is accompanied by a valid payment to the notified partying an amount equal to Twenty-Five Thousand Dollars (\$25,000) U.S. as consideration.

13.17 Exterior Signage. Lessee, at Lessee's sole cost and expense shall be responsible for all its exterior signage. Said signage shall be subject to applicable codes and shall have Lessor's advance approval to design, scale, method of installation, and location of placement.

13.18 Advertising. Subject to applicable municipal codes and non-disturbance to other tenancies within the building, Lessee may utilize the marquis sign over the entrance of the Convenience Store and the pole sign located in the front of the Premises. If Lessee wants to attach any signs, posters, seasonal flags or banners, Lessee must make the request in writing to the Lessor and have prior permission to attaching any signage whatsoever to the Premises.

13.19 Option To Renew. Provided Lessee is not then in default under this lease at the time notice is given or at the time the renewal term is to commence and further provided Lessee is open and operating from the Premises a Market/Convenience Store, Lessee shall have two (2) consecutive options to renew the term of the Lease for a period of five (5) years each. Lessee shall notify Lessor in writing that it is exercising its option to renew no later than ninety (90) days prior to the expiration of the term then in effect. The giving of such notice shall be sufficient to make the Lease binding for the renewal term. The monthly rent at the start of the first option period shall be the sum of \$ 1,983.42 with a bi-annual increase equal to 3 percent (three) each year during the option period and continuing through the second option period if exercised.

13.20 Entire Agreement. This Lease and Exhibits and Rider, if any, attached hereto and forming a part hereof, set forth all the covenants,

promises, agreements, conditions, and understandings between the Lessor and Lessee concerning the leased premises, and there are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them other than are herein set forth.

In Witness Whereof, the parties hereto have executed this instrument in duplicate at the place and on the day and year first above written, any corporate signature being by authority by the Board of Directors.

LESSOR:

LESSEE

City of Adair Village

Date

Date

William Currier, Mayor
Tax ID #

Birpal S. Johal Owner/President
Tax ID #

BEFORE THE CITY COUNCIL OF THE
CITY OF ADAIR VILLAGE, OREGON

IN THE MATTER OF INCREASING APPROPRIATIONS)
TO PURCHASE REAL PROPERTY)

RESOLUTION NO. 7

WHEREAS, the City of Adair Village has identified an opportunity to purchase a desirable piece of real property; and,

WHEREAS, the City Council has approved pursuing the purchase of the property; and,

WHEREAS, the City has been reserving money for this purchase in the Reserve Fund; and,

WHEREAS, supplemental budget adjustments are allowed when items were unknown at the time the fiscal 2018-19 budget was adopted; and,

WHEREAS, the City has sufficient resources in the Reserve Fund to provide for this additional budget item;

NOW, THEREFORE, BE IT RESOLVED by the City of Adair Village City Council that:

SECTION 1: The FY 2019-20 Budget is hereby amended as follows:

<i>General Fund</i>	<u>As Adopted</u>	<u>This Change</u>	<u>New Budget</u>
Revenues:			
Transfer In	-	750,000	750,000
Expenditures:			
Capital Outlay	30,000	750,000	780,000
<i>Water Fund</i>	<u>As Adopted</u>	<u>This Change</u>	<u>New Budget</u>
Expenditures:			
Transfer Out	3,200	150,000	153,200
Reserve for Future Expenditure	620,280	(150,000)	470,280
	<u>623,480</u>	<u>-</u>	<u>623,480</u>
<i>SDC Fund</i>	<u>As Adopted</u>	<u>This Change</u>	<u>New Budget</u>
Revenues:			
SDC Charges	59,876	400,000	459,876
Expenditures:			
Transfer Out	-	600,000	600,000
Reserve for Future Expenditure	342,654	(200,000)	142,654
	<u>342,654</u>	<u>400,000</u>	<u>742,654</u>

SECTION 2: This resolution is effective immediately upon passage.

DATED: The 1st day of October, 2019.

Mayor

City Administrator

Exhibit A
CHAPTER 81
SYSTEMS DEVELOPMENT CHARGES

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CHAPTER 81 SYSTEMS DEVELOPMENT CHARGES

TITLE, SCOPE, AND AUTHORITY

81.005 Title. This Ordinance may be cited as the System Development Charge Ordinance of the City of Adair Village City Code and may be so pleaded.

81.010 Purpose.

(1) The purpose of the system development charge (“SDC”) is to impose a portion of the cost of capital improvements for water, wastewater, storm drainage, transportation, and parks upon those developments and redevelopments that create the need for, or increase the demands on capital improvements.

(2) During the 1989 session of the legislative assembly of the State of Oregon, a uniform framework for the imposition of a Systems Development Charge (SDC) by local governments was established by the provisions of ORS 223.297 to 223.314. The 2001 and 2003 legislature enacted certain amendments to the SDC statutory scheme.

(3) Among other things, the statutory provisions, as amended, define and limit the purpose, use, and method of calculation of and accounting for SDC imposed and collected by a Municipal Corporation.

(4) In order to analyze and evaluate the method for calculation, imposition, collection and expenditure of SDCs for the City of Adair Village, and to determine compliance with the provisions of ORS 223.297 to 223.314 inclusive, the City retained the services of a consulting engineer, Civil West Engineering Services, Inc., (hereinafter “Civil West”), who completed an SDC methodology report in May 2019. A copy of this methodology is on file at City Hall in the City of Adair Village for examination by the public.

(5) Based upon this report the City finds that it is appropriate to update their method of calculating, imposing, and administering SDCs for capital improvements within or connected to the City of Adair Village, by providing:

(a) That any capital improvement being funded wholly or in part with SDC revenues shall be included in an approved Capital Improvements Plan, Public Facilities Plan, Master Plan, or comparable plan which includes a list of the capital improvements which the City intends to fund, in whole or in part, with improvement fee revenues and the estimated cost, timing and percentage of costs eligible to be funded from the improvement fee for each improvement; and

(b) That SDC revenues must be deposited in accounts designated for such moneys. The City shall implement an accounting system that provides an annual accounting of SDC revenue, to be completed by January 1st of each year, showing the total amount of SDC revenues collected and the projects that were funded in the previous fiscal year with the revenue. The City shall include in the annual accounting a list of the amount spent on each project funded, in whole or in part, with SDC revenue, and the amount of revenue collected by the governmental unit from system development charges and attributed to the costs of complying with the provisions of ORS 223.297 to 223.314, as described in ORS 223.307 if any compliance costs are included in the adopted SDC; and

CHAPTER 81 SYSTEMS DEVELOPMENT CHARGES

(c) That the City shall establish by resolution administrative review procedures by which any citizen or other interested person may challenge an expenditure of SDC revenues in accordance with the requirements of ORS 223.302(2) and (3); and

(d) That the portion of the City's SDC defined as "reimbursement fees" under the provisions of ORS 223.299(3) shall be spent only on capital improvements associated with the systems for which the fees were imposed, including expenditures related to the payment of indebtedness; and

(e) That the portion of the City's SDC defined as an "improvement fee" under the provisions of ORS 223.229(2) shall be spent only on capacity increasing capital improvements, including expenditures related to the payment of the debt for such improvement; and

(f) That the SDC be a fee imposed by the City upon the permittee (as defined in this Ordinance) seeking to develop property within the City and/or connect to the City's water or sewer system; and

(g) The SDC imposed by this Ordinance is based upon the actual cost of providing existing or planned for capital improvements, and is intended to be a financing mechanism for City capital improvements necessitated by new development and for reimbursement for existing facilities. Future growth within the geographic area served by the City should contribute its fair share to the cost of improvements to public facilities. The imposition of an SDC by the City will provide a source of revenue to fund the construction or improvement of City facilities necessitated by growth. The SDC imposed by this ordinance does not impose charges on persons not receiving services from the City; and

(h) The purpose of the SDC is to promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities and to impose a portion of the cost of capital improvements for City services upon those who create the need for or increase the demands on capital improvements by connection to City public facilities or assets; and

(i) That the SDC revenues imposed and collected by the City shall be placed in a separate, restricted fund, and accounted for, and expended in compliance with the provisions of ORS 223.297 to 223.314, inclusive; and

81.020 Scope.

(1) The SDC imposed by this ordinance is separate from and in addition to any applicable tax, assessment, charge or fee otherwise provided by law or imposed as a condition of development or based upon the ownership of property. The SDC imposed by this section is not classified by the City, or intended to be, a tax on property or on a property owner as a direct consequence of ownership of property within the meaning of Article XI Section 11B, of the Oregon Constitution or the legislation implementing that Section. The City intends that the SDC imposed by this ordinance is not subject to the limits of Section 11B, Article XI of the Oregon Constitution. The City Administrator shall publish notice of this classification as required by ORS 305.583(8).

81.030 Severability.

(1) The provisions of this ordinance are severable, and it is the intention to confer the whole or any part of the powers herein provided for. If any clause, section or provision of this ordinance shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of this ordinance

CHAPTER 81 SYSTEMS DEVELOPMENT CHARGES

shall be in full force and effect and be valid as is such invalid portion thereof had not been incorporated herein. It is hereby declared to be the City Council's intent that this ordinance would have been adopted had such an unconstitutional provision not been included herein.

DEFINITIONS

81.110 Definitions: For purposes of this ordinance, the following mean:

(1) Applicant. The owner or other person who applies for a residential, commercial, industrial, or other connection to the City's water supply system or sanitary sewer system and/or who develops property within the City's Urban Growth Boundary.

(2) Building. Any structure, either temporary or permanent, built for the support, shelter, or enclosure of persons or property of any kind and for any public, commercial, industrial, or other use. This term shall not include temporary construction sheds or trailers erected to assist in construction and maintenance during the term of a building permit.

(3) Capital improvements. Public facilities or assets used for:

- (a) Wastewater collection, transmission, treatment and disposal, or any combination;
- (b) Water supply, treatment, distribution, storage, metering, fire protection, or any combination;
- (c) Drainage and flood control;
- (d) Transportation facilities including vehicle and pedestrian;
- (e) Parks and recreation.

(4) Citizen or other interested person. Any person whose legal residence is within the service area of the City, as evidenced by registration as a voter within the City, or by other proof of residency; or a person who owns, occupies, or otherwise has an interest in real property which is located within the City service area; or a person who owns, occupies, or otherwise has an interest in real property which is served by the City's water supply system or sanitary sewer systems; or is otherwise subject to the imposition of systems development charges, as outlined in this Ordinance.

(5) City. The City of Adair Village.

(6) Development. All improvements on a site, including buildings, other structures, parking and loading areas, landscaping, paved or graveled areas, and areas devoted to exterior display, storage or activities. Development includes redevelopment of property, dividing of land into two or more parcels, and creating or termination of a right of access. Development includes improved open areas such as plazas and walkways, but does not include natural geologic forms or unimproved lands. Development also includes making any physical change in the use of a structure or land which increases the usage of any capital improvements or which may contribute to the need for additional or enlarged capital improvements, as determined by City.

(7) Equivalent Dwelling Unit or "EDU". The base element of the formula by which systems development charge rates are determined for various buildings or developments, based on meter size for

CHAPTER 81 SYSTEMS DEVELOPMENT CHARGES

water service and based on the contribution of sewage from a residential dwelling unit, for sanitary sewer service.

(8) Improvement fee. A fee as defined by ORS 223.299 (2) for costs associated with capital improvements to be constructed after the date the fee is adopted pursuant to 81.510 of this ordinance.

(9) Land area. The area of a parcel of land as measured by projection of the parcel boundaries upon a horizontal plane with the exception of a portion of the parcel within a recorded right-of-way or easement subject to a servitude for a public street or for a public scenic or preservation purpose.

(10) Methodology. The system development charge methodology required by ORS 223.304 (1) and (2).

(11) Owner. The owner or owners of record title or the purchaser(s) under a recorded land sales agreement, and other persons having an interest of record in the described real property.

(12) Parcel of land. A lot, parcel, block, or other tract of land that, in accordance with County regulations, is occupied or may be occupied by a structure, or structures, or other use, and that includes the yards and other open spaces required under the zoning, subdivision, and other development ordinances.

(13) Permittee. The person to whom a building permit, development permit, a permit or plan approval to connect to the sewer system, or right-of-way access permit is issued.

(14) Qualified public improvement. A capital improvement that is:

- (a) Required as a condition of development approval.
- (b) Identified in the plan as adopted pursuant 81.410 of this ordinance, and;
 - i) Not located on or contiguous to a parcel of land this is the subject of the development approval; or,
 - ii) Located in whole or in part on or contiguous to property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.
 - iii) For the purposes of this definition, “contiguous” includes improvements to, located in, a public way that abuts the parcel.

(15) Reimbursement fee. A fee defined by ORS 223.299 (3) for costs associated with capital improvements constructed or under construction on the date the fee is established pursuant to this ordinance, and for which the City determines that capacity exists.

(16) System development charge. A reimbursement fee, an improvement fee or a combination thereof assessed or collected at the time of increased usage of a capital improvement, at the time of issuance of a development permit or building permit, or at the time of connection to the capital improvement.

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(a) System development charge includes that portion of a sewer system connection that is greater than the amount necessary to reimburse the City for its average cost of inspecting and installing connections with sewer facilities;

(b) A system development charge does not include fees assessed or collected as part of a local improvement district or a charge in lieu of a local improvement district assessment, or the cost of complying with requirements or conditions imposed by a land use decision.

(17) Trip generation. An accepted methodology that is utilized to determine the amount of trips that are created or generated by specific land uses. Commonly, the Institution for Traffic Engineering (ITE) is utilized for trip generation tables.

SDC ESTABLISHED AND METHODOLOGY

81.210 SDC Charges. The amount of system development charges may be set, and may be revised, by resolution of the City Council. The Resolution(s) shall set the amount of the charge, the type of permit to which the charge applies, the methodology used to set the amount of the charge and, if the charge applies to a geographic area smaller than the entire city, the geographic area subject to the charge.

81.220 SDC Imposed Upon All Development. Unless otherwise exempted by the provisions of this ordinance, or other local or state law, SDCs for water, wastewater, storm water, transportation and parks are hereby imposed upon all development within the City, upon connection to the water and/or sewer system, and upon all development outside the boundary of the City that connects to the water and/or sewer facilities of the City, and upon all development which increases the usage of the water and/or sewer system or which contributes to the need for additional or enlarged capital improvements. This shall include new construction and the alteration, expansion or replacement of a building or development if such alteration, expansion or replacement results in an increase in the number of EDUs or fixtures compared to the prior number of EDUs or fixtures in the development. For alterations, expansions and replacements, the amount of the SDC to be paid shall be the difference between the rate for the proposed development and the rate that would be imposed for the development prior to the alteration, expansion or replacement.

81.230 Basis of Methodology.

(1) The methodology used to establish or modify the reimbursement fee shall, where applicable, be based on the cost of then-existing facilities including without limitation, design, financing and construction costs; prior contributions by then-existing users; gifts or grants from federal or state government or private persons; the value of unused capacity available to future system users, rate-making principles employed to finance publicly owned capital improvements; gifts or grants from federal or state government or private persons and other relevant factors identified by the City Council. The methodology shall promote the objective that future systems users shall contribute no more than an equitable share of the cost of then-existing facilities.

(2) The methodology used to establish or modify the improvement fee shall, where applicable, demonstrate consideration of the projected cost of the capital improvements identified in the plan or list adopted pursuant to ORS 233.306 that are needed to increase the capacity of the systems to

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which the fee is related. The methodology shall be calculated to obtain the cost of capital improvements for the projected need for available system capacity for future users.

(3) The methodology used to establish or modify improvement fees or reimbursement fees, or both, shall be adopted by ordinance of the City Council.

(4) The methodology may be amended only as provided in 81.510

(5) The methodology shall be available for public inspection.

AUTHORIZED EXPENDITURES AND RESTRICTIONS

81.310 Expenditure of Fees.

(1) Reimbursement fees shall be applied only to capital improvements associated with the system for which the fees are assessed, including expenditures relating to repayment of debt for such improvements. The portion of the improvements funded by reimbursement fees must be related to the need for increased capacity to provide service for future users.

(2) Improvement fees shall be spent only on capacity increasing capital improvements associated with the system for which the fees are assessed, including expenditures relating to repayment of indebtedness. An increase in system capacity occurs if a capital improvement increases the level of performance or service provided by existing facilities or providing new facilities.

(a) The portion of the capital improvements funded by improvement fees must be related to demands created by current or projected development.

(b) A capital improvement being funded wholly or in part from revenues derived from the improvement fee shall be included in the plan adopted by the City pursuant to 81.410 of this ordinance.

(c) Notwithstanding subsection (1) and (2) of this section, SDC revenues may be expended on the direct costs of complying with the provisions of this ordinance, including the costs of developing SDC methodologies, system planning, providing an annual accounting of SDC expenditures and other costs directly related to or required for the administration and operation of this SDC program.

81.320 SDC Expenditure Limitations.

(1) SDCs shall not be expended for costs associated with the construction of administrative office facilities that are more than an incidental part of other capital improvements.

(2) SDCs shall not be expended for costs of the operation or routine maintenance of capital improvements.

(3) SDC's shall not be used to oversize, overbuild, or otherwise enhance an improvement beyond what is reasonably required to provide necessary capacity for development.

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(4) SDC's shall not be charged for project costs for which City funds are not or were not used. This shall include urban renewal funds, grant funds, special assessment funds, and others.

(5) SDC's shall not be assessed based on the number of employees an employer has or that an employer intends to add without regard to new construction, new development, or a change of use of an existing structure by an employer.

IMPROVEMENT PLAN

81.410. Improvement Plan.

(1) Prior to the establishment of an SDC, the City Council shall adopt a capital improvement plan, public facilities plan, master plan or comparable plan that includes a list of:

(a) The capital improvements that the City intends to fund in whole or in part with the improvement fee revenues; and

(b) The estimated cost of each improvement and the percentage of that cost eligible to be funded with improvement fee revenues.

(2) In adopting this plan, the City may incorporate by reference all or a portion of any public facilities plan, master plan, capital improvements plan or similar plan that contains the information required by this section.

(3) The City may modify such plan and list at any time. If an SDC will be increased by a proposed modification to the list to include a capacity increasing public improvement the Council will:

(a) Order the methodology to be amended as necessary. Amendments to the methodology shall be made pursuant to 81.510.

(b) Provide at least 30 days' notice prior to adopting the modification to those who have requested notice pursuant to 81.520; and

(c) Hold a public hearing if a written request for a hearing is received within seven days of the date of the proposed modification.

(4) A change in the amount of a reimbursement fee or an improvement fee is not a modification of the SDC if the change in amount is based on:

(a) A change in the cost of labor, materials, or real property applied to projects or project capacity as set forth in the plan adopted pursuant to this section.

(b) A periodic application of the ENR Construction Cost Index.

ADOPTING AND AMENDING THE METHODOLOGY

81.510 Adopting and Amending the Methodology

(1) Before adopting or amending the methodology, the Council shall:

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(a) At least 90 days prior to adoption of the proposed methodology, or amendment to the methodology, provide written notice to persons who have requested notice pursuant to 81.520;

(b) City Council shall hold a public hearing if the City receives a written request for a hearing on the proposed modification within seven days of the date of the proposed modification is scheduled for adoption.

(c) Make the revised methodology available to the public at least 60 days prior to the first public hearing of the adoption or amendment.

(a) The failure of a person on the list to receive a notice that was mailed does not invalidate the action of the City.

(2) Legal action intended to contest the methodology use for calculating a system development charge may not be filed after 60 days following adoption or modification of the SDC ordinance or resolution.

(3) Notwithstanding other provisions of this section, a public hearing is not required if the City does not receive a written request for a hearing.

(a) A change in the amount of a reimbursement fee or an improvement fee is not a modification of the SDC methodology if the change in amount is based on:

(b) A relevant measurement of the average change in prices or costs over an identified time period for materials, labor, real property or a combination of the three;

(c) Published by a recognized organization or agency that produces the index or data source for reasons that are independent of the SDC methodology; and

(d) Incorporated as part of the established methodology or identified and adopted in a separate ordinance, resolution, or order.

(4) To increase an SDC resulting from a proposed modification of the list to include a capacity increasing capital improvement:

(a) The City shall provide, at least 30 days notice prior to the adoption of the modification, notice of the proposed modification to the persons who have requested written notice under ORS 223.304(6).

(b) The City shall hold a public hearing if the City receives a written request for a hearing on the proposed modification within seven days of the date of the proposed modification is scheduled for adoption.

(c) Notwithstanding other provisions of this section, a public hearing is not required if the City does not receive a written request for a hearing.

81.520 Notice.

(1) The City shall maintain a list of persons who have made a written request for notification prior to adoption or modification of a methodology for any SDC. Written notice shall be mailed to persons on the list as provided in 81.510. The failure of a person on the list to receive notice that was mailed does not invalidate the action of the City.

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(2) The City may periodically delete names from the list, but at least 30 days prior to removing a name from the list, the City must notify the person whose name is to be deleted that a new written request for notification is required if the person wishes to remain on the notification list.

CHARGES, PAYMENTS, EXEMPTIONS, AND CREDITS

81.610 Collection Charges.

(1) The SDC is payable upon issuance of at least one of the following activities:

- (a) A building permit;
- (b) A permit or approval to connect to the water and/or sewer system;

(2) SDCs shall be assessed on an equivalent dwelling unit basis as developed in the methodology and as adopted by resolution.

(3) If development is commenced or connection is made to the water and/or sewer system without an appropriate permit, the SDC is immediately payable upon the earliest date that a permit was required.

(4) If no building, development, or connection permit is required, the SDC is payable at the time the usage of the capital improvement is increased based on changes in the use of the property unrelated to seasonal or ordinary fluctuations in usage.

(5) The City Administrator, or his/her designee, shall collect the applicable SDC(s) from the permittee when a permit that allows building or development of a parcel is issued or when application for connection to the water and/or sewer system is made.

(6) The City Administrator, or his/her designee, shall not issue such permit or allow such connection until the charge has been paid in full, or until provision for installment payments has been made pursuant to 81.630, or unless an exemption is granted pursuant to 81.650 of this ordinance.

81.620 Delinquent Charges and Hearings.

(1) When, for any reason, the SDC has not been paid, the City Administrator shall report to the City Council the amount of the uncollected charge, the description of the real property to which the charge is attributable, the date upon which the charge was due, and the name of the person responsible for the payment of the fee.

(2) The City shall schedule a public hearing on the matter and direct that notice of the hearing be given to each owner or person responsible for payment of the fee, with a copy of the City Administrator's report concerning the unpaid charge. Notice of the hearing shall be given either personally, or by certified mail, return receipt requested, or by both personal and mailed notice and by posting notice on the parcel at least ten (10) days before the date set for the hearing.

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(3) At the hearing, the Council may accept, reject, or modify the determination of the City Administrator as set forth in the report.

81.630 Installment Plan.

(1) When a SDC of \$25 or more is due and collectable, the owner of the parcel of land subject to the development charge may apply for payment in twenty (20) semi-annual installments, to include interest on the unpaid balance, in accordance with Oregon Revised Statutes 223.208. A shorter payment plan is acceptable if approved by the City.

(2) The City Administrator shall provide application forms for installment payments which shall include a waiver of all rights to contest the validity of the lien, except for the correction of computational errors.

(3) An applicant for installment payment shall have the burden of demonstrating the applicant's authority to assent to the imposition of a lien on the parcel and that the property interest of the applicant is adequate to secure payment of the lien.

(4) The City Administrator shall report to the Council the amount of the SDC, the dates on which payments are due, the name of the owner, and the description of the parcel.

(5) The City Administrator shall docket the lien in the lien docket. From that time the City shall have a lien upon the described parcel for the amount of the SDC, together with interest on the unpaid balance at the rate established by resolution of the City Council. The lien shall be enforceable in the manner provided in ORS Chapter 223.

(6) Upon written notification from the permittee and with written evidence from the County, where new development is not constructed and the building permit is cancelled, the City Administrator is authorized to cancel assessments of SDCs. For property that has been subject to a cancellation of assessment of SDCs, application for any subsequent installment payment contract shall be subject to the code provisions applicable to SDCs and installment payment contracts on file the date the new contract is received by the City.

81.640 Prohibited Connection.

(1) No person may connect to the water or sewer system of the City or obtain a building permit unless the appropriate SDC(s) has been paid, or the installment payment method has been applied for and approved.

81.650 Exemptions

(1) Additions to single-family dwelling that do not constitute the addition of a dwelling unit, as defined by the State Uniform Building Code, are exempt from all portions of the SDC.

(2) An alteration, addition, replacement or change in use that does not increase the parcel's or structure's use of the public improvement facility is exempt from all portions of the SDC.

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(3) The issuance of a permit for a manufactured housing unit on which applicable systems development charges have previously been paid.

(4) Development with vested rights, determined as follows:

(a) Any owner of land that was the subject of a building permit or development permit issued prior to the effective date of this ordinance may petition the City for a vested rights determination which would exempt the land owner from the provisions of this ordinance. Such petition shall be evaluated by the City Administrator and a decision made based upon all *three* of the following criteria being met:

(5) The existence of a valid, unexpired building or development permit authorizing the specific development for which a determination is sought, and;

(6) Substantial expenditures or obligations made or incurred in reliance upon such permit and;

(7) Other factors that demonstrate it is inequitable to deny the owner the opportunity to complete the previously approved development under the conditions of approval by requiring the owner to comply with the requirements of this ordinance. For the purposes of this paragraph, the following factors shall be considered in determining whether it is inequitable to deny the owner the opportunity to complete the previously approved development:

(a) Whether the injuries suffered by the owner outweighs the public cost of allowing the development to go forward without payment of the systems development charges required by this ordinance; and

(b) Whether the expenses or obligations of the development were made or incurred prior to the effective date of this ordinance.

(8) The City Administrator shall make a written determination as to whether the owner has established a vested right in the development and, if so, whether the development would be exempt from the provisions of this ordinance.

81.660 Credits.

(1) When a development occurs that is subject to an SDC, the SDC for the existing use, if applicable, shall be calculated. If this amount is less than the SDC for the use that will result from the development, the difference between the SDC for the existing use and the SDC for the proposed use shall be the SDC. If a change in use results in the SDC for the proposed use being less than the SDC for the existing use, no SDC shall be required. No refund or credit shall be given.

(2) A credit of the improvement fee portion of the SDC only shall be given to the permittee against the cost of the SDC charged, for the cost of a qualified public improvement, upon acceptance by the City of the public improvement. The credit shall not exceed the amount of the improvement fee even if the cost of the capital improvement exceeds the improvement fee.

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(3) If a qualified public improvement is located in whole or in part on or contiguous to the property that is the subject of the development approval and is required to be built larger or with greater capacity than is necessary for the particular development project, a credit shall be given for the cost of the portion of the improvement that exceeds the City's minimum standard facility size or capacity needed to serve the particular development project or property. The applicant shall have the burden of demonstrating that a particular improvement qualifies for credit under this subsection. The request shall be filed in writing no later than 60 days after acceptance of the improvement by the City. The City may deny the credit provided for in this section if the City demonstrates that the application does not meet the requirements of this section or if the improvement for which credit is sought was not included in the improvement plan pursuant to 81.410 of this ordinance.

(4) When construction of a qualified public improvement located in whole or in part or contiguous to the property that is the subject of development approval gives rise to a credit amount greater than the improvement fee that would otherwise be levied against the project, the credit in excess of the improvement fee for the original development project may be applied against improvement fees that accrue in subsequent phases of the original development project.

(5) Credit shall not be transferable from one development to another, except in compliance with standards (if any) adopted by the City Council.

(6) Credit shall not be transferable from one type of capital improvement to another.

(7) Credits shall be used within 10 years from the date the credit was given.

81.670 Refunds.

(1) Refunds may be given by the City upon finding that there was a clerical error in the calculation of the SDC.

(2) Refunds shall not be allowed for failure to timely claim credit or for failure to timely seek an alternative SDC rate calculation at the time of submission of an application for a building permit.

81.670 Classification. The City Council determines that any fee, rates or charges imposed by this ordinance and/or future enabling ordinances are not a tax subject to the property tax limitations of Article XI, section 11(b) of the Oregon Constitution.

**CHAPTER 81
SYSTEMS DEVELOPMENT CHARGES**

SEGREGATION AND USE OF REVENUE

81.710 Segregation and Use of Revenues

(1) All funds derived from an SDC are to be segregated by accounting practices from all other funds of the City. That portion of the SDC calculated and collected on account of a specific facility system shall be used for no purpose other than those set forth in 81.320 of this ordinance.

(2) The City Administrator shall provide the City Council with an annual accounting, based on the City's fiscal year, for SDCs showing the total amount of SDC revenues collected for each type of facility and the projects funded from each account in the previous fiscal year. A list of the amounts spent on each project funded in whole or in part, with SDC revenues shall be included in the annual accounting.

(3) The moneys deposited into the SDC account shall be used solely as allowed by 81.320 authorized expenditures of this ordinance and as allowed by ORS 223.307, including, but not limited to:

- (a) Design and construction plan preparation;
- (b) Permitting and fees;
- (c) Land and materials acquisition, including any cost of acquisition or condemnation;
- (d) Construction of capital improvements;
- (e) Design and construction of new water facilities required by the construction of capital improvements and structures;
- (f) Relocating utilities required by the construction of improvements;
- (g) Landscaping;
- (h) Construction management and inspection;
- (i) Surveys, soils, and material testing;
- (k) Acquisition of capital equipment;
- (l) Repayment of moneys transferred or borrowed from any budgetary fund of the City which were used to fund any of the capital improvements as herein provided;
- (m) Payment of principal and interest, necessary reserves and cost of issuance under bonds or other indebtedness issued by the City to fund capital improvements.

APPEAL PROCEDURE

81.810 Appeal Procedure.

(1) A person challenging the propriety of an expenditure of SDC revenues may appeal the decision of the expenditure to the City Council by filing a written request with the City Administrator describing with particularity the decision and the expenditure from which the person appeals. An appeal of the expenditure must be filed within two (2) years of the date of the alleged improper expenditure.

(2) Appeals of any other decision required or permitted to be made by the City Administrator under this ordinance must be filed in writing with the City Administrator within ten days of the decision.

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(3) After providing notice to the appellant, the City Council shall determine whether the City Administrator's decision or the expenditure is in accordance with this ordinance and the provision of ORS 223.297 to 233.314 and may affirm, modify, or overrule the decision. If the Council determines that there has been an improper expenditure of SDC revenues, the Council shall direct that a sum equal to the misspent amount shall be deposited within one year to the credit of the account or fund from which it was spent. The decision of the Council shall be reviewed only as provided in ORS 34.010 to 34.100, and not otherwise.

(4) A legal action challenging the methodology adopted by the City Council pursuant to 81.510 shall not be filed later than 60 days after adoption. A person shall contest the methodology used for calculating an SDC only as provided in ORS 34.010 to ORS 34.100, and not otherwise.

**BEFORE THE CITY COUNCIL FOR THE
CITY OF ADAIR VILLAGE, OREGON**

In the matter of Amending an Ordinance)
Establishing Systems Development Charges)

ORDINANCE NO. 2019 - 2

THE CITY OF ADAIR VILLAGE CITY COUNCIL ORDAINS AS FOLLOWS:

Sec. 1. This matter having come before the City Council of Adair Village on October 1, 2019 upon the recommendation of the City Administrator that the City amend its Current Systems Development Charge Ordinance.

Sec 2. Enactment. The Adair Village Code of Ordinances is amended by amending Chapter 81, Systems Development Charges which now reads in full as follows:

See Attached Exhibit A

Sec 3. Severability. Should any section or portion of this Ordinance be held unlawful or unenforceable by any court of competent jurisdiction, such decision shall apply only to the specific section, or portion thereof, directly specified in the decision. All other sections or portions of this Ordinance shall remain in full force and effect.

City of Adair Village, Oregon, _____.

CITY OF ADAIR VILLAGE

Mayor

City Recorder

Approved as to Form:

City Attorney

First Reading: _____

Second Reading: _____

Ordinance 2019-02