6:00 p.m. WORK SESSION – Owners Rep for Wastewater Treatment Plant Upgrades

AGENDA FOR COUNCIL MEETING
KLAMATH FALLS CITY COUNCIL
MARCH 21, 2016
7:00 P.M.

Matters for Council consideration not scheduled on the Agenda can be addressed by the general public under the "Public Comment" section on the agenda. Testimony must be presented according to Council procedure. Items of a non-emergency nature may be scheduled for future Council determination in order to provide sufficient time to analyze the issue.

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATION OF SERVICE AWARD

Geoff LeGault **Support Services/Finance Division** **20 years**

PROCLAMATION DECLARING THE MONTH OF APRIL 2016 CHILD ABUSE PREVENTION MONTH

PUBLIC COMMENT

1. CONSENT AGENDA

a. Approval of March 21, 2016 agenda and March 7, 2016 regular meeting minutes

b. Hiring of Nathan Ratliff as Municipal Court Judge and Assigning Steven R. Hedlund as an Additional Pro Tem Judge Position

c. Approval of Annual Audit Reports for the City of Klamath Falls and the Klamath Falls Urban Renewal Agency for the Fiscal Year Ending June 30, 2015

LAND USE PUBLIC HEARING - QUASI JUDICIAL - NONE

LAND USE PUBLIC HEARING – LEGISLATIVE - NONE

GENERAL PUBLIC HEARING - NONE

LEGISLATIVE ACTION

2. **CONSTRUCTION OF SUGARMAN'S CORNER, A DOWNTOWN POCKET PARK LOCATED AT THE CORNER OF MAIN STREET AND NORTH 6TH STREET**

   a. Report of City Engineer
   b. Move to authorize staff to proceed with management and construction utilizing City Division resources and specialty trade subcontractors for Sugarman's Corner

3. **AUTHORIZATION TO EXECUTE A CONTRACT WITH HEAD PAINTING AND CONCRETE FOR CONCRETE WORK ON SUGARMAN'S CORNER IN THE AMOUNT OF $37,244.50**

   a. Report of City Engineer
   b. Move to authorize a Construction Services Contract with Head Painting and Concrete, Inc. for concrete work associated with Sugarman's Corner in the amount not-to-exceed of $37,244.50.

4. **ORDINANCE ADDING SECTIONS 8.175 TO 8.198 OF THE CITY CODE AND AMENDING SECTION 8.980 RELATING TO VACANT PROPERTY REGISTRATION – FIRST READING – Continued to 3/21/2016 Meeting**

   a. Report of City Attorney
   b. Take Public Comment
   c. Move to introduce the Ordinance by title for first reading

OTHER MATTERS

ADJOURNMENT

The City Council may recess/adjourn to Executive Session under ORS 192.660 as follows: ORS 192.660(2):
(a) - Employment of Public Officers, Employees
(b) - Discipline of Public Officers and Employees and Agents
(d) - Labor Negotiations
(e) - Real Property Transactions
(f) - Exempt Public Records
(g) - Trade Negotiations
(h) - Consultation with Legal Counsel
(i) - Performance Evaluations of Public Officers and Employees
(j) - Public Investments

*****AMERICANS WITH DISABILITIES ACT NOTICE*****
Please contact the City Recorder's office, Klamath Falls City Hall, 500 Klamath Avenue, Klamath Falls, OR 97601, or call 541.883.5316 at least 48 hours prior to the scheduled meeting time if you need an accommodation to participate in the meeting. The City's TTY/TDD number is 541.883.5324

Certificate of Service

Awarded to:

Geoffrey LeGault

Support Services/Finance Division

For completion of:

20 Years of Service

on

March 18, 2016

Nathan Cherpeski, City Manager

rCITY

respect - Communication - Integrity - Teamwork - family

CITY OF KLAMATH FALLS, OREGON

500 KLAMATH AVENUE – P.O. BOX 237
KLAMATH FALLS, OREGON 97601

Sister City
ROTORUA, NEW ZEALAND

PROCLAMATION

WHEREAS, *children deserve a stable environment of love and support; and*

WHEREAS, *finding solutions depends on involvement from all parents, citizens, and organizations thus planting seeds for future generations to prosper; and*

WHEREAS, *child abuse and neglect can be reduced by making sure each family has the support they need to raise their children in healthy and nurturing surroundings; and*

WHEREAS, *providing for children's physical, emotional, and developmental needs creates the best foundation for a promising childhood; and*

WHEREAS, *we are dedicated to strengthening families in our community, we join together to convey our message of care and hope*

NOW, THEREFORE, I, TODD KELLSTROM, MAYOR OF THE CITY OF KLAMATH FALLS, OREGON, DO HEREBY PROCLAIM THE MONTH OF APRIL 2016 AS

CHILD ABUSE PREVENTION MONTH

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of March, 2016.

TODD KELLSTROM
MAYOR

MINUTES
KLAMATH FALLS CITY COUNCIL
March 7, 2016

A regular meeting of the Klamath Falls City Council was held in the Council Chambers on the above date at 7:00 p.m. Mayor Todd Kellstrom called the meeting to order.

Council members present:	Councilman Matt Dodson Councilman Dan Tofell Councilman Bud Hart Councilman Bill Adams
City staff members present:	Nathan Cherpeski, City Manager Joanna Lyons-Antley, City Attorney Mark Willrett, Public Works Director Susan Kirby, Support Services Director John Barsalou, Airport Director Dave Henslee, Police Chief Scott Souders, City Engineer Erik Nobel, Planning Manager John Bellon, Parks Superintendent Joe Wall, Management Assistant Kristina Buckley, Assistant to the City Recorder

Councilman Hart **moved to excuse Councilwoman Seiler's absence.** Councilman Dodson seconded. The motion carried with Councilman Tofell, Councilman Dodson and Councilman Hart voting aye. Councilman Adams voted no.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Trevor Thomas of Boy Scout Troop 150.

PUBLIC COMMENT

Mayor Kellstrom opened the public comment. Hearing or seeing no one, he closed the public comment.

1. CONSENT AGENDA. Councilman Adams **moved to approve the Consent Agenda as follows: Approved the Consent Agenda for March 7, 2016; Approved the February 16, 2016 regular meeting minutes.** Councilman Tofell seconded. The motion carried unanimously with all Council members present voting aye.

LAND USE PUBLIC HEARING - QUASI JUDICIAL

There were no land use public hearing quasi-judicial matters.

LAND USE PUBLIC HEARING – LEGISLATIVE

There were no land use public hearing legislative matters.

GENERAL PUBLIC HEARING

2. LIQUOR LICENSE FOR NEW OUTLET TO ALLOW OFF-PREMISES SALES FOR ATOZSTUFFNTHINGS.COM LOCATED AT 825 MAIN STREET. Planning Manager Erik Nobel reviewed his written report. Councilman Dodson asked if the applicant, Mr. Hendrickson, received a liquor license from the OLCC at the previous location. Mr. Nobel responded no and explained Council issued a denial and the OLCC was working through the process when Mr. Hendrickson moved locations so the move stopped that process. Councilman Adams asked how many other liquor licenses there were on Main Street or near the location downtown. Mr. Nobel responded there were approximately five licenses downtown. Councilman Adams noted there were other outlets where someone could purchase a container and walk out with it. Mr. Nobel responded yes. Councilman Adams stated he was not sure if the alcohol was the bigger problem or smoking outside was the problem in addressing concerns expressed by individuals who wrote in opposition, letters attached.

Mayor Kellstrom stated the last time Mr. Hendrickson's liquor license application came before Council, Police Chief Henslee offered the opinion that selling individual containers was detrimental. Council denied the

recommendation on that application then voted to recommend approval of a liquor license at the Old Stable store. However, that location would sell alcohol in larger quantity such as six packs to take home. Mr. Nobel noted the difference was the Old Stable applicant wrote some criteria on the back of application for the liquor license to say he would not sell single beverage containers. Councilman Dodson asked if the store, when it was purchased by Mr. Hendrickson, had a liquor license. Mr. Nobel noted it had never had a liquor license.

Mayor Kellstrom referenced two letters of opposition received from Matt Hurley and Katie Huck and the staff of Periwinkle. He opened the public hearing.

Kendall Bell. Ms. Bell stated she was a business and building owner on Main Street and was again opposed to a recommendation of approval. Her business was located half a block away from Rick's Smoke Shop and she had several photos on her phone of loitering in front of the business. She noted she realized she sounded anti-business; however, the proposal would not help those who wanted to really "make a go" of their business. There was no attempt in the proposed location to even try to sell food; whereas, the Old Stable store was a grocery store and there would be a draw for inexpensive alcohol and she was not sure there was a need for more of that on Main Street.

Katie Huck. Ms. Huck addressed her letter distributed to Council prior to the meeting. She was one of the owners of Periwinkle downtown and her business was greatly affected by loitering and negative clientele out in front of her business and her clients were bothered by those people and having to walk through the cloud of smoke. She agreed with Kendall Bell's statements and felt the business would draw the type of clientele that she did not want to have to clean up after on a daily basis and would negatively affect her customers. She concluded that, on behalf of all staff at Periwinkle, they were opposed to the application.

Hearing or seeing no one further, Mayor Kellstrom closed the public hearing.

Councilman Adams stated one of the things that came to mind with him was recent discussions about smoking at downtown events and it appeared that maybe the problem was more of a smoking issue than alcohol itself.

He had mentioned at a prior Work Session that he hated to tell people they could not smoke if they were outdoors but he wondered if the City should be looking at some sort of permanent Ordinance for the downtown itself. He did not think it was fair to say that people could not smoke somewhere downtown but it may be more of what the City needed to be looking at more than the alcohol itself; however, he did not feel individual bottles or cans were what the applicant should be selling either.

Councilman Tofell stated the proposed business was a variety type store and it just did not fit the model of selling alcohol and maybe it was not a good enough reason but right now it was for him. He understood a grocery store selling alcohol and selling it in bulk but selling out of a variety store for some reason it just did not fit the model and perhaps the OLCC would disagree with him but his position would remain the same as it had at the last hearing.

Councilman Hart asked if Mr. Hendrickson wanted to speak about his application. Mr. Hendrickson responded from the audience that he did not.

Councilman Tofell **moved to make a recommendation to the OLCC for the denial of Off-Premises Sales at ATOZSTUFFNTHINGS.COM.** Councilman Adams seconded. The motion carried unanimously with all Council members present voting aye.

LEGISLATIVE ACTION

3. ORDINANCE ADDING SECTIONS 8.175 TO 8.198 OF THE CITY CODE AND AMENDING SECTION 8.980 RELATING TO VACANT PROPERTY REGISTRATION – FIRST READING. City Attorney Joanna Lyons-Antley reviewed her written report. Councilman Adams asked if the Ordinance would apply to rental properties that were vacant, which could be commercial rentals. Ms. Lyons-Antley responded it was intended to be residential properties only. Councilman Adams asked if it would apply to County foreclosure properties so they would be required to take care of some of the properties they had foreclosed on. Ms. Lyons-Antley explained that as a city, which was a political subdivision, we are not allowed to actually issue citations to another agency. Certainly the City could notify them and advise them about the properties but at the end of the day the City cannot force them.
Councilman Adams questioned the maintenance requirements such as

regular water and irrigation, cutting, pruning, and mowing and stated the City did not force that on residents when houses were occupied so he did not know how that could be imposed or enforced on vacant properties. City Manager Nathan Cherpeski stated several Code Enforcement issues were yards that had overgrown; however, he did not know if the City could force them to irrigate but certainly the intent would be to maintain the front part of the property so it did not look like a "zombie" foreclosure. Councilman Adams stated there were other items such as weekly inspections, which would need to be changed because he was unsure how to expect an out-of-town owner to make weekly inspections. He further referenced language pertaining to installation of additional security lighting when, in most cases, there was no power at the properties so there would be no option to install security lighting and watering was the other issue, again, as most of the time the water was off at the properties as well.

Councilman Dodson noted the timing of when they had to notify the City was prior to recording a notice of default and he did not know how the City was going to know that. Ms. Lyons-Antley stated that was a good point. Councilman Dodson continued that if the City did not know that other lenders would not be aware of the rules unless they had foreclosed many properties in Klamath Falls. Ms. Lyons-Antley stated it would probably require education with the lenders. Staff had a list of lenders and if the City sent them the Ordinance it would be one way to put them on notice rather than expect them to know the requirements. Mr. Cherpeski stated staff was contacted periodically by servicing companies asking if the City had adopted a registry Ordinance and what the standard in the City was. He suggested if there were items Council wanted to change or revise within the Ordinance, tabling the item and providing staff with further direction would be beneficial unless Council wanted to amend the Ordinance during the hearing. Mayor Kellstrom suggesting continuing, not tabling, the item to the City Council meeting on March 21st to give staff time to review revisions. Councilman Hart agreed with the City Manager's suggestion to table the item and requested property management savvy individuals work with the City Attorney to revise the language in the Ordinance. He liked the Ordinance and work that was done but there may be some details that needed to be cleaned up so he would support the suggestion to table the item to the next City Council meeting. Mayor Kellstrom reiterated the item would need to be continued and not tabled.

Councilman Hart **moved to continue the item to the March 21, 2016 City Council meeting**. Councilman Tofell seconded. The motion carried unanimously with all Council members present voting aye.

4. OPERATING AGREEMENT WITH KLAMATH YOUTH BASEBALL AND SOFTBALL FOR OPERATION AND MAINTENANCE OF KIGER STADIUM. Parks Superintendent John Bellon reviewed his written report. Councilman Adams stated the contract with the Gems for use of Kiger Stadium bothered him. It was his belief that the City should be involved in the writing of the contract whenever the new one was drafted. The group running Kiger Stadium was taken advantage of in the past. Concessions were not taken care of properly, etc. He would like to see some involvement with the City Attorney when the contract was drafted; other than that he had no issue with the group taking over and the City should continue to provide them the $15,000 per year. Councilman Tofell stated he was not sure how the City addressed Councilman Adams' concerns but he was more than willing to move forward with the proposed Agreement. City Manager Nathan Cherpeski stated staff met with the Klamath Youth Baseball and Softball (KYBS) representatives and that was something that was discussed very specifically; any contract longer than a year, which really applied to the Gems, the City wanted to be able to review it as well before the operating group entered into and signed it. The previous agreement that was entered into was very one-sided and staff wanted to meet with KYBS in a more collaborative way to make sure they were successful because the City did not want to run the stadium and would rather leave it to those with a passion for baseball. Councilman Dodson stated he would like to hear from a group representative of KYBS from the audience.

John Mick. Mr. Mick stated he was the Secretary of KYBS and their vision was to try to bring Kiger Stadium back to what it was 20 years ago. To get youth baseball playing a lot more games at Kiger Stadium so it was not just the Gems and some of the events from the past that had no concessions. They planned to run the concessions stand when youth events took place rather than the Gems being responsible all the way through the summer. The Gems would only be responsible when their team was playing. He further stated they would like to build on things such as the World Series and more youth tournaments, teams from out of the area that wanted to play in Klamath Falls. Councilman Dodson asked about maintenance and noted it was a very big issue at the stadium. Every year Council heard

about light poles, etc. He asked if KYBS had a budget set up for maintenance. Mr. Mick responded they were looking at a standard operating budget; not a budget to replace any capital or infrastructure but they planned to perform an assessment when they took over and to address what needed to be replaced in the long term. They would look for grants and assistance from the Parks Division once they had a better feel for what was needed to be replaced over the next few years. Councilman Adams stated it seemed that, in the past, another group had tried to do something at Kiger that was not baseball related and were unable to because of the lease with the Gems and he wanted to make sure KYBS had the ability to do that as it would provide KYBS with additional income. Mr. Mick responded they wanted to learn from all the things that had gone wrong from the Gems relationship and they wanted to benefit the community so they would be looking at many things that may or may not need to be changed.

Councilman Dodson stated he was excited to hear somebody stepped up to help run the facility.

Councilman Tofell **moved to authorize Staff to enter into a Kiger Stadium Operating Agreement with Klamath Youth Baseball and Softball for a period of three years with the option to renew for two additional five-year terms**. Councilman Dodson seconded. The motion carried unanimously with all Council members present voting aye.

OTHER MATTERS

Presentation of Certificate of Recognition. Mayor Kellstrom and Parks Superintendent John Bellon presented Don Ambers, former president of the Kiger Association, with a certificate in recognition of his many years of hard work and dedication at Kiger Stadium in support of youth baseball and softball in the Klamath Basin. Mr. Ambers thanked everyone who helped him including his family, Mayor, Council, and community members. He noted the Klamath Basin community was a delight to work with because they never let him down in all the years he worked on events and programs at Kiger Stadium.

ADJOURNMENT

Councilman Hart **moved to adjourn the meeting.** Councilman Dodson seconded. The motion carried unanimously with all Council members present voting aye. The meeting was adjourned at 7:43 p.m.

_____

Kristina Buckley, Assistant to the City Recorder

ATTACHMENTS

Agenda Item 2
Application for Liquor License for ATOZSTUFFNTHINGS.COM

March 2, 2016

City of Klamath Falls
226 South 5th Street
Klamath Falls, OR 97601

To whom it may concern;

I am writing to register my objection to the application for a premises license by ATOZSTUFFNTHINGS.COM located at 825 Main Street (Tax Acct. R-3809-032AA-9500). The basis for opposition is granting a license would provide further source of alcohol within an area already heavily populated with licensed premises that crime, disorder and public nuisance have already reached problem levels for local businesses and police.

In view of the above, I would urge the Klamath Falls City Council to refuse this application.

Mat Hurley

RECEIVED MAR 0 7 2016

To whom it may concern,

My name is Katie Huck and I am writing again on behalf of all the owners, employees, and many of the clients of Periwinkle Resale Boutique.

It has come to our attention that David, owner of the store located at 825 Main Street, is again applying for a liquor license in his new place of business. His new location is now between both of our Periwinkle locations. Our concerns are the same as before, approval of a liquor license and the subsequent serving of alcohol could be quite damaging to our businesses.

As owners of the two Periwinkle locations, many of us conduct business between the two stores. We continually pass through the variety storefront and observe smoking and loitering on the sidewalk and near our doorways. This loitering and smoking is common among the business owner himself as well as the customers of his business. Furthermore, we have concerns about the appearance of the sidewalk as well as the air quality between our stores. Daily, we have customers with complaints about the smoke that they have to walk through and breathe in order to shop at our boutiques. This detracts from our stores, the 800 block, and all of downtown Klamath Falls. We don't feel that selling alcohol at this location will diminish the problem. If anything, we are concerned that the loitering and smoking problem will only worsen by adding alcohol to the mix.

Our store employs a maintenance man who cleans, sweeps, mops, and blows leaves in the front of our buildings on a daily basis. Not only is this a necessary expense for us, it is also a matter of taking pride in our business and our community. More often than not, he cleans up litter and cigarette butts that are not from our customers. This is a cost that we alone carry. We feel that the possibility of littering, vandalism, air quality issues and loitering will quite possibly become much worse with this store's selling of alcohol, creating a larger expense for our business.

Our goal with this letter is not to discourage a fellow small business owner, but rather to protect our business and costs. We all work to maintain a clean, upscale environment for downtown Klamath Falls and do not believe that opening another alcohol vendor downtown will attract the type of customers we strive to attract. Periwinkle has been in business for eight years and we intend to continue doing business in this wonderful community.

Thank-you,

Katie Huck and the Periwinkle Staff

KLAMATH FALLS CITY COUNCIL
AGENDA REPORT

Agenda Item No. 1b

Date: March 21, 2016

Department: Support Services	Contact/Title: Support Services Director
Staff Presenter: Susan Kirby	Telephone No.: 541-883-5326
City Manager Review:	Email: sgkirby@klamathfalls.city

TOPIC: Hiring of Nathan Ratliff as Municipal Court Judge and Assigning Steven R. Hedlund as an Additional Pro Tem Judge Position

SUMMARY AND BACKGROUND:

As of January 6, the City had an opening for Municipal Court Judge. After conducting a recruitment process, the City Council has determined to award the position to Attorney Nathan J. Ratliff, and a Pro Tem Judge Position to Stephen R. Hedlund.

The position of Municipal Court Judge was offered to Mr. Ratliff on March 7, 2016, by the direction of City Council and he accepted the duties and requirements of that position per the proposed Employee Contract (copy attached). All the terms of City employment are listed in the Employee Contract. Mr. Ratliff will be sworn in to the position of Municipal Court Judge by the Mayor on March 28, 2016.

In addition to this appointment, Council has also offered a Pro Tem Judge position to Attorney Stephen R. Hedlund, who has also accepted the position and will also be sworn in on March 28th.

FINANCIAL IMPACT:

The financial impact of filling these positions has been included in the operating budget of Municipal Court for fiscal year 2015-2016, and management does not anticipate any need for additional funding.

COUNCIL OPTIONS:

1. Approve appointment of Nathan Ratliff as Municipal Court Judge per the terms of the City employee contract and assign Stephen Hedlund as additional Municipal Court Pro Tem Judge.

DOCUMENTS ATTACHED:

- Employee Contract

RECOMMENDED MOTION/ACTION:

- Move to approve the appointment of Nathan J. Ratliff as Municipal Court Judge and approve the assignment of Stephen R. Hedlund as additional Municipal Court Pro Tem Judge

NOTICE SENT TO:

Nathan J. Ratliff
Stephen R. Hedlund

1 b

CITY OF KLAMATH FALLS
500 Klamath Avenue – P.O. Box 500
KLAMATH FALLS, OREGON 97601
PHONE (541) 883-5317 FAX (541) 883-5251

Employment Agreement

WHEREAS, Nathan J. Ratliff (hereinafter called "Employee") currently serves the City as a *pro tem* judge for Municipal Court and City Council has offered the appointment of Municipal Court Judge to Employee; and

WHEREAS, Employee, an individual who has the requisite education, training and experience for the position of Municipal Court Judge, and the parties to this Agreement desire to retain Employee as the Municipal Court Judge; NOW THEREFORE,

Section 1: Term
This Agreement shall become effect on the date Employee is sworn in as the full-time Municipal Court Judge, until terminated by the City or Employee as provided in Sections 8 or 9 of this Agreement.

Section 2: Duties and Authority
City agrees to employ Nathan J. Ratliff as Municipal Court Judge to perform the functions and duties of "Municipal Judge" as listed in the City Charter and other proper duties and functions as assigned. In addition to the duties listed, Employee shall:

A. Abide by the Oregon Code of Judicial Conduct.
B. Conduct legal research, issue findings, and make decisions relating to Municipal Court cases.
C. Prior to January 1st of each year (usually by December 1), Employee assists Court Staff in setting the court calendar for times available for trials and arraignment times for the upcoming calendar year. Calendared Court times are subject to approval by City Council.
D. Recommend to City Council appointment of sufficient qualified *pro tem* judges.
E. Train and evaluate the performance of *pro tem* judges, as needed. *Pro tem* judges operate as independent contractors with the City.

Section 3: Compensation

A. Salary: City agrees to pay an hourly rate of $115.00 payable in monthly installments at the same time that the other management employees of the City are paid.
B. All compensation adjustments must be approved by City Council.

Section 4: Health Benefits
Employee does not receive any health benefits with this position.

Section 5: Vacation, Holiday and Sick Leave
Employee does not accrue any vacation, holiday or sick leave with this position.

Section 6: Retirement
Since the Employee does not qualify for the Public Employee Retirement System (PERS) and will not receive any retirement contributions.

Section 7: General Business Expenses
City agrees to budget for and to pay for travel expenses related to the annual Oregon Municipal Judges conference. The conference may be attended and the trip expenses will be paid by the City, but an hourly salary will not be paid for the hours of travel or attendance to the conference. City agrees to budget for all other ordinary and necessary expenses such as robes, office supplies, and equipment.

Section 8: Termination
The Municipal Court Judge is an at-will position. For the purpose of this Agreement, termination shall occur if the City Council terminates the Employee's employment, which can be performed at Council's sole discretion.

Section 9: Resignation
In the event that the Employee voluntarily resigns his position with the City, Employee shall provide a minimum of 30 days notice, unless both parties agree otherwise.

Section 10: Performance Evaluation
Council shall annually review the performance of the Employee in accordance with the same procedures used by the Council for all employees reporting directly to Council, or in accordance with other procedures agreed to by City and Employee.

Section 11: Outside Activities
Employee may elect to accept limited teaching, consulting or other business opportunities with the understanding that such arrangements shall not constitute interference with or a conflict-of-interest with his responsibilities under this Agreement and such opportunities shall be disclosed to the City Council for pre-approval. City acknowledges that Employee is an attorney in private practice and such activities are hereby approved.

Section 12: Indemnification
To the extent required by law, City shall defend, save harmless and indemnify Employee against any tort, or demand whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties, unless the act or omission involved malfeasance in office or willful or wanton neglect of duty. Employee recognizes that City shall have the right to compromise, settle any claim or suit involving Employee in is his employment capacity; unless, said compromise or settlement is of a personal nature to Employee.

Section 13: Other Terms and Conditions of Employment
The City shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of

this Agreement, the City of Klamath Falls Charter, City Code or any other law. Employee shall attend all mandatory Employee training sessions required of other management employees.

Section 14: Notices
Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

(1) CITY: City of Klamath Falls, Attn: City Council, 500 Klamath Ave., Klamath Falls, OR 97601.
(2) EMPLOYEE: Nathan J. Ratliff, Attorney at Law, 620 Main Street, Klamath Falls, OR 97601.

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of notice in the mail.

Section 15: General Provisions
A. Integration. This Agreement sets forth and establishes the entire understanding between the City and the Employee relating to the employment of the Employee by the City. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
B. Binding Effect. This Agreement shall be binding on the City and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.
C. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

City of Klamath Falls:	Employee:
Mayor	Nathan J. Ratliff
3-11-16	3-10-16
Date	Date

CITY OF KLAMATH FALLS
Human Resources
226 S. 5th Street - P.O. BOX 237
KLAMATH FALLS, OREGON 97601
Sister City - Rotorua, New Zealand
FAX (541) 883-5251 - TDD (541) 883-5324

March 7, 2016

Nathan Ratliff
1007 Loma Linda Drive
Klamath Falls, OR 97601

Dear Mr. Ratliff:

I am pleased to offer you the position of Municipal Court Judge, with the City of Klamath Falls' Municipal Court Division of the Support Services Department. This position reports directly to City Council. This will be a part-time position, with the wage of $115.00 per hour, commencing March 28 ~~March 22,~~ 2016. The Municipal Court Judge position is in accordance with the attached Employment Agreement.

If you wish to accept this position, please sign this offer letter and attached Employment Agreement and turn in both originals into Human Resources.

Sincerely,

Patricia Seiler

Patricia Seiler
City Council President

I accept the position of Municipal Court Judge with the City of Klamath Falls' Municipal Court Division of the Support Services Department, under the terms outlined above and in the attached Employment Agreement.

Nathan Ratliff

3-9-16
Date

Human Resources
541-883-5317

1b

KLAMATH FALLS CITY COUNCIL
AGENDA REPORT

Agenda Item No. 1c

Date: March 21, 2016

Department: Finance Department
Staff Presenter: Sue Kirby
City Manager Review: _____

Contact/Title: Sue Kirby, Support Services Director
Telephone No.: 541-883-5326
Email: SGKirby@klamathfalls.city

TITLE: Approval of Annual Audit Reports for the City of Klamath Falls and the Klamath Falls Urban Renewal Agency for the Fiscal Year Ending June 30, 2015

SUMMARY AND BACKGROUND:

On March 2, 2016, the City's auditor, Merina & Company, LLP, Certified Public Accountants and Consultants, presented the Audit Reports for the City and the Klamath Falls Urban Renewal Agency for the fiscal year ended June 30, 2015. The Auditor expressed unmodified or clean opinions for both the City's and the Urban Renewal Agency's financial statements. The Auditor discussed with the Audit Oversight Committee, comments and suggestions for improvements to various items in the City's system of internal controls and procedures.

The Audit Committee recommended the Audit Reports be presented to Council for acceptance and approval.

FINANCIAL IMPACT:

There is no direct financial impact to the City.

DOCUMENTS ATTACHED:

- Audit Reports

REQUESTED MOTION/ACTION:

- Move to Approve the Annual Audit Reports for the City of Klamath Falls and the Klamath Falls Urban Renewal Agency for the Fiscal Year Ending June 30, 2015

NOTICE SENT TO:

- Audit Committee
- Budget Committee

MERINA
& COMPANY, LLP
Certified Public Accountants and Consultants

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

PARTNERS
KAMALA K. AUSTIN, CPA • TONYA M. MOFFITT, CPA

December 14, 2015

To the City Council
City of Klamath Falls, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Klamath Falls, Oregon (the City) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 17, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 6 to the financial statements, the City implemented three new accounting pronouncement issued by the Governmental Accounting Standards Board (GASB). Those pronouncements include:

- GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*
- GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*
- GASB Statement No. 69 *Government Combinations and Disposals of Government Operations*

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. There were two prior period adjustment included in the financial statements:

Implementing GASB Statement No. 68 & 71 – The government restated net position for the initial recording of the net pension liability and deferred outflow of resources.

Unavailable revenues for grants receivable – in 2014 a grant was receivable but not received by 60 days after yearend.

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Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

> Management's estimate of the accumulated depreciation is based on historical cost or estimated historical cost if purchased or constructed and donated capital assets are recorded at estimated fair market value at the date of donation.
>
> Management's estimate of the compensated absences payable is based on current wages.
>
> Management's estimate of the allowance for doubtful accounts is based on a percentage of total receivables.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

> The disclosure of Capital Assets in Note 3 (D) and Debt in Note 3 (J) to the financial statements summarizes the changes in capital assets and debt for the year ended June 30, 2015.
>
> The disclosure of Cash, Cash Equivalents and Investments in Note 3 (A) to the financial statements describes the City's various investments for the year ended June 30, 2015.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatement was detected as a result of audit procedures and was corrected by management:

- Current year loan refinance

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 14, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. The City used a consultant to review the financial statements we prepared.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the schedule(s) of funding progress, schedule of the proportionate share of the net pension liability, and schedule of contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit management's discussion and analysis, the schedule(s) of funding progress, schedule of the

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proportionate share of the net pension liability, and schedule of contributions and do not express an opinion or provide any assurance on this information.

We were engaged to report on the budgetary comparison schedules, as listed in the table of contents under RSI, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

We were engaged to report on the other supplementary information, as listed in the table of contents, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section or statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

If you should have any questions or comments, we would be pleased to discuss this report with you at your convenience.

Very truly yours,

Merina & Company

Merina & Company, LLP
Certified Public Accountants and Consultants

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MERINA
& COMPANY, LLP
Certified Public Accountants and Consultants

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

PARTNERS
KAMALA K. AUSTIN, CPA • TONYA M. MOFFITT, CPA

December 14, 2015

To the Agency Officials
The Klamath Falls Urban Renewal Agency

We have audited the financial statements of the governmental activities and each major fund of the Klamath Falls Urban Renewal Agency (the Agency) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 17, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015.

We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Agency's financial statements was:

> Management's estimate of accumulated depreciation is based on historical cost or estimated historical cost and straight-line depreciation.

We evaluated the key factors and assumptions used to develop this estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

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The disclosure of Capital Assets in Note 3 (C) and Debt in Note 3 (F) to the financial statements summarizes the changes in capital assets and debt for the year ended June 30, 2015.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached copy of the management representation letter includes a summary of such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 14, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. The Agency used a consultant to review the basic financial statements prepared by us.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's

auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit management's discussion and analysis and do not express an opinion or provide any assurance on this information.

We were engaged to report on the budgetary comparison schedules, as listed in the table of contents under RSI, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

We were engaged to report on the other supplementary schedule, as listed in the table of contents, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, which accompany the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Agency Officials and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

If you should have any questions or comments, we would be pleased to discuss this report with you at your convenience.

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Very truly yours,

Merina & Company

Merina & Company, LLP
Certified Public Accountants and Consultants

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& COMPANY, LLP
Certified Public Accountants and Consultants

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

PARTNERS
KAMALA K. AUSTIN, CPA • TONYA M. MOFFITT, CPA

To the Agency Officials
and Management of Klamath Urban Renewal Agency

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Klamath Falls Urban Renewal Agency (the Agency), a component unit of the City of Klamath Falls, Oregon, as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in internal control to be material weakness:

> Condition: Controls were not in place to ensure the City record the loan proceeds and principal payments related to loan refinance accurately.
>
> Criteria: The City should establish written policies and procedures that include controls to ensure reconciling debt activity with the trail balance.
>
> Effect: Due to a lack of written policies and procedures the City failed to record the proceeds and principal payments from the loan refinance.
>
> Cause: It appears the underlying cause relates to no reconciliation between the trial balance and debt activity.

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Recommendation: The City should consider designing and implementing written policies and procedures to ensure debt activity is recorded accurately. These could include monthly and or year-end reviews.

Views of Responsible Officials and Planned Corrective Actions: The City will rewrite the procedures for the issuance of new debt, and the refunding of existing debt. The procedure will include recording the gross amount of the new debt proceeds, and recording the payoff of the old debt as a debt service expense. Included in the procedures will be the reconciliation of the trial balance and the debt activity of all new and refinanced debt transactions to insure the total increases and total decreases are recorded.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Agency's written response to the material weakness identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, Agency officials, others within the Agency, and Oregon Secretary of State Audits Division, and is not intended to be, and should not be, used by anyone other than these specified parties.

Merina + Company

Merina & Company, LLP
West Linn, Oregon
December 14, 2015

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KLAMATH FALLS CITY COUNCIL
AGENDA REPORT

Agenda Item No. 2

Date: March 21, 2016

Department: Public Works	Contact/Title: Scott Souders / City Engineer
Staff Presenter: Scott Souders	Telephone No.: 541-883-5290
City Manager Review:	Email: ssouders@klamathfalls.city

TOPIC: Construction of Sugarman's Corner, a downtown pocket park located at the corner of Main Street and North 6th Street

SUMMARY AND BACKGROUND:

In 2014, a group of citizens and City staff began planning efforts to transform a vacant City owned lot at the corner of Main Street and North 6th Street into a downtown community park. In the spring of 2015, a design team was contracted to prepare construction documents and the project was released for public bid in December of 2015. The scope of the project includes roughly 3,200 ft^2 of colored concrete plaza, 1,600 ft^2 of landscaping and irrigation, raised planter beds, lighting, accommodations for community provided artwork, and new sidewalks and street trees along North 6th Street – see attached L4.1R for illustration.

Bid results yielded a project that was significantly over budget and deemed not awardable – the low bid was $273,684. After value engineering efforts failed with the apparent low bidder, City staff requested Council support to pursue construction of the project utilizing in-house resources provided by the Street Division, Parks Division, Maintenance Division, and Wastewater Division. A target budget of $150,000 was set for this effort.

Engineering has worked closely with each of the Division managers to identify the scope of work to be performed in house and respective outside specialty contractors. With the exception of concrete, electrical, and miscellaneous railings and signage, the bulk of the project will be constructed by City forces. Informal requests for quotes have been conducted to solicit pricing for the electrical and concrete subcontracted work. Each Division and the respective specialty contractors have provided pricing for their assigned responsibilities and a total estimated construction cost of $153,976 has been established. This price includes all materials, labor, and equipment to complete the project. An estimated $61,168 of labor and equipment will be provided by City personnel.

Upon approval from City Council, staff intends to immediately begin scheduling and coordination efforts to begin construction in April. It is anticipated that the project will be complete by mid to late summer.

FINANCIAL IMPACT:

Funding for this project will be provided from the Downtown Urban Renewal District account.

COUNCIL OPTIONS:

1. Approve staff to proceed with management and construction utilizing City Division resources and specialty trade subcontractors.
2. Deny the project based on estimated construction cost. Direct staff to revise scope and reissue construction project for City Division resource pricing.
3. Deny the use of City Division resources for construction. Direct staff to revise scope and reissue construction project for public solicitation.
4. Deny the use of City Division resources for construction and cancel project.

DOCUMENTS ATTACHED:

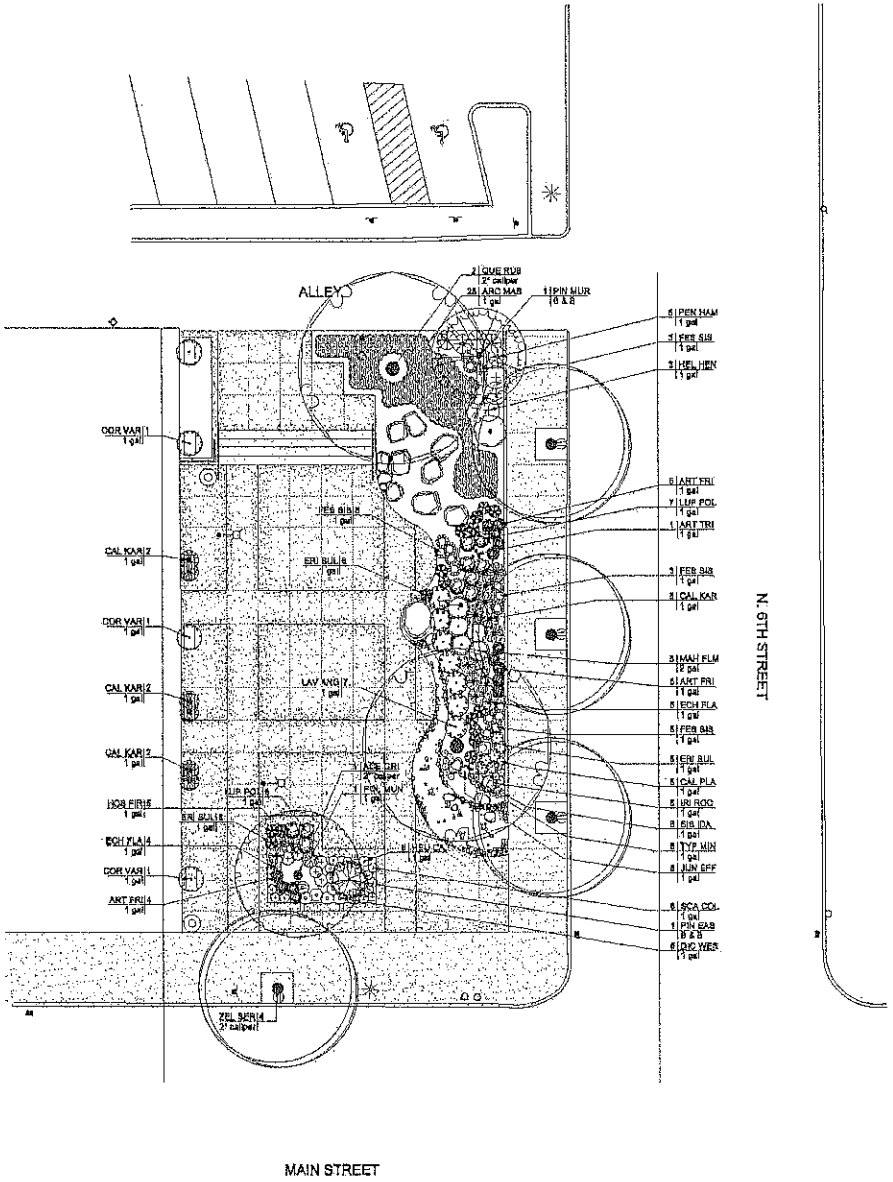
- Plan sheet L4.1R illustrating site layout

RECOMMENDED MOTION/ACTION:

Move to approve Option 1 and Authorize staff to proceed with management and construction utilizing City Division resources and specialty trade subcontractors for Sugarman's Corner.

NOTICE SENT TO:

N/A



PLANT SCHEDULE

TREES	BOTANICAL NAME / COMMON NAME	CONT	SIZE	QTY
ACE GRI	Acer griseum / Paperbark Maple	2" caliper		1
PIN MUR	Pinus contorta "Murrayana" / Shore Pine	B & B	7-8'	11
PIN EAS	Pinus strobus "Nana" / Dwarf Eastern White Pine	B & B	30-36	1
QUE RUB	Quercus rubra / Red Oak	2" caliper		2
ZEL SER	Zelkova serrata / Seeded Zelkova	2" caliper		4

SHRUBS	BOTANICAL NAME / COMMON NAME	SIZE	QTY
ARC PAT	Arctostaphylos patula / Green-Leaf Manzanita	5 gal	1
ART FRI	Artemisia frigida / Fringed Wormwood	1 gal	14
ART TRI	Artemisia tridentata / Big Sagebrush	1 gal	1
CAL KAR	Calamagrostis x acutiflora "Karl Foerster" / Feather Reed Grass	1 gal	12
CAL PLA	Calthe palustris / Marsh Marigold	1 gal	8
COR VAR	Cornus sericea "Variegata" / Redtwig Dogwood	1 gal	4
DIC WES	Dicentra formosa / Western Bleeding-Heart	1 gal	6
ECH FLA	Echinacea x "Flamethrower" / Coneflower	1 gal	10
ERI BUL	Eriogonum umbellatum / Buckwheat	1 gal	18
FES SIS	Festuca idahoensis "Siskiyou Blue" / Siskiyou Blue Fescue	1 gal	16
HEL HEN	Helianthemum nummularium "Henfield Brilliant" / Henfield Brilliant Rock Rose	1 gal	3
HEU CAL	Heuchera x "Cajun Fire" / Coral Bells	1 gal	6
HOS FIR	Hosta x "Fire Island" / Fire Island Plantain Lily	1 gal	6
IRI ROC	Iris ciliata ssp. ciliata / Western Blue Iris	1 gal	6
JUN EFF	Juncus effusus / Soft Rush	1 gal	8
LAV ANG	Lavandula angustifolia / English Lavender	1 gal	7
LUP POL	Lupinus polyphyllus / Large-leaved Lupine	1 gal	10
MAH FLM	Mahonia aquifolium "Orange Flame" / Oregon Grape	2 gal	3
PEN HAM	Penstemon ellipsocardus "Hamelin" / Hamelin Dwarf Fountain Grass	1 gal	8
POL MUN	Polystichum munitum / Western Sword Fern	1 gal	3
SCA COL	Scabiosa columbaria "Butterfly Blue" TM / Butterfly Blue Scabiosa	1 gal	6
SIS IDA	Sisyrinchium idahoense / Idaho Blue Eyed Grass	1 gal	8
TYP MIN	Typha minima / Dwarf Japanese Cattail	1 gal	8

GROUND COVERS	BOTANICAL NAME / COMMON NAME	CONT	
	Arctostaphylos uva-ursi "Massachusetts" / Massachusetts Manzanita	1 gal	28

GENERAL PLANTING NOTES

1. ALL PLANTING AREAS SHALL RECEIVE 3" OF BARK MULCH PER THE SPECIFICATIONS.
2. ALL PROPOSED SHRUB PLANTING IN NEW CONSTRUCTION AREAS SHALL RECEIVE A MIN. 18" OF IMPORTED TOPSOIL MIX (INCLUDING 2" OF AGED COMPOST). SEE SPECIFICATIONS.
3. PRE-EMERGENT HERBICIDE SHALL BE APPLIED TO ALL PLANTING AREAS PER THE SPECIFICATIONS.
4. ALL PROPOSED PLANT MATERIAL SHALL BE WARRANTED FOR ONE (1) YEAR FROM THE TIME OF FINAL ACCEPTANCE.
5. THE NUMERICAL TEXT QUANTITIES OF PLANTS SHOWN ON THE PLAN ARE FOR THE CONTRACTOR'S CONVENIENCE ONLY. THE CONTRACTOR IS RESPONSIBLE FOR PROVIDING THE QUANTITY OF PLANT MATERIAL SHOWN GRAPHICALLY ON THE PLAN. QUANTITIES AND SIZES OF PLANTS SHALL NOT BE ALTERED WITHOUT WRITTEN PERMISSION FROM THE OWNER'S REPRESENTATIVE.
6. REVIEW SPECIFICATION SECTIONS 02940 AND 02950 FOR ALL ASPECTS OF PLANTING INSTALLATION.

NORTH
SCALE: 1"=10'-0"
0 10' 20'

galbraith AND ASSOCIATES
LANDSCAPE ARCHITECTURE & SITE PLANNING
318 S. GRAPE STREET
MEDFORD, OR 97501
PH. 541.770.7564
FAX 541.770.5164
OREGON LICENSE No. 254 (JA., 1940)
REGISTERED 254 JOHN L. GALBRAITH OREGON 04/07/09 LANDSCAPE ARCHITECT

This document, and the ideas and designs incorporated herein, as an instrument of professional service, is the property of Galbraith & Associates, Inc. and is not to be used, modified, or changed in whole or in part, for any other purpose without the written authorization of John Galbraith, Landscape Architect.

Klamath Falls
Sugarman's Corner

Main St. & N. 6th St.
Klamath Falls, OR

REVISIONS:
△ 01.07.10
△

Planting Plan

JOB NO.: 1506
ISSUE DATE: 10.30.18
DRAWN BY: JL
REVIEWED BY: JG
JOB STAT(S):

L4.1R

KLAMATH FALLS CITY COUNCIL
AGENDA REPORT

Agenda Item No. 3

Date: March 21, 2016

Department: Public Works	Contact/Title: Scott Souders / City Engineer
Staff Presenter: Scott Souders	Telephone No.: 541-883-5290
City Manager Review:	Email: ssouders@klamathfalls.city

TOPIC: Authorization to Execute a Contract with Head Painting and Concrete for concrete work on Sugarman's Corner in the Amount of $37,244.50

SUMMARY AND BACKGROUND:

In 2014, a group of citizens and City staff began planning efforts to transform a vacant City owned lot at the corner of Main Street and North 6th Street into a downtown community park, Sugarman's Corner. Those efforts eventually led to the engagement of a design team who was contracted to prepare construction documents. The scope of the project includes roughly 3,200 ft^2 of colored concrete plaza, 1,600 ft^2 of landscaping and irrigation, raised planter beds, lighting, accommodations for community provided artwork, and new sidewalks and street trees along North 6th Street – see attached L4.1R for illustration.

The City will be managing and constructing Sugarman's Corner utilizing both specialty trade subcontractors and in-house resources provided by the Public Works Department and Parks Division. One of those specialty trades includes construction of all concrete planters, stairs, plaza space, curbs, and sidewalks. An informal request for quotes solicitation was sent to three local concrete contractors. Quotes were received from all three contractors and opened on Thursday, March 3, 2015. Staff reviewed the quotes and found the required supporting documentation was in order. Head Painting and Concrete, Inc. submitted the low quote in the amount of $37,244.50.

FINANCIAL IMPACT:

Funding for this project will be provided from the Downtown Urban Renewal District account.

COUNCIL OPTIONS:

1. Approve the quote for construction services from Head Painting and Concrete, Inc. in the amount of $37,244.50
2. Deny the quote for construction services from Head Painting and Concrete, Inc., revise scope, and reissue informal quote solicitation.
3. Deny the quote for construction services from Head Painting and Concrete, Inc. and direct staff to revise scope and attempt negotiations for revised pricing.

4. Deny the quote for construction services from Head Painting and Concrete, Inc. and cancel the project.

DOCUMENTS ATTACHED:

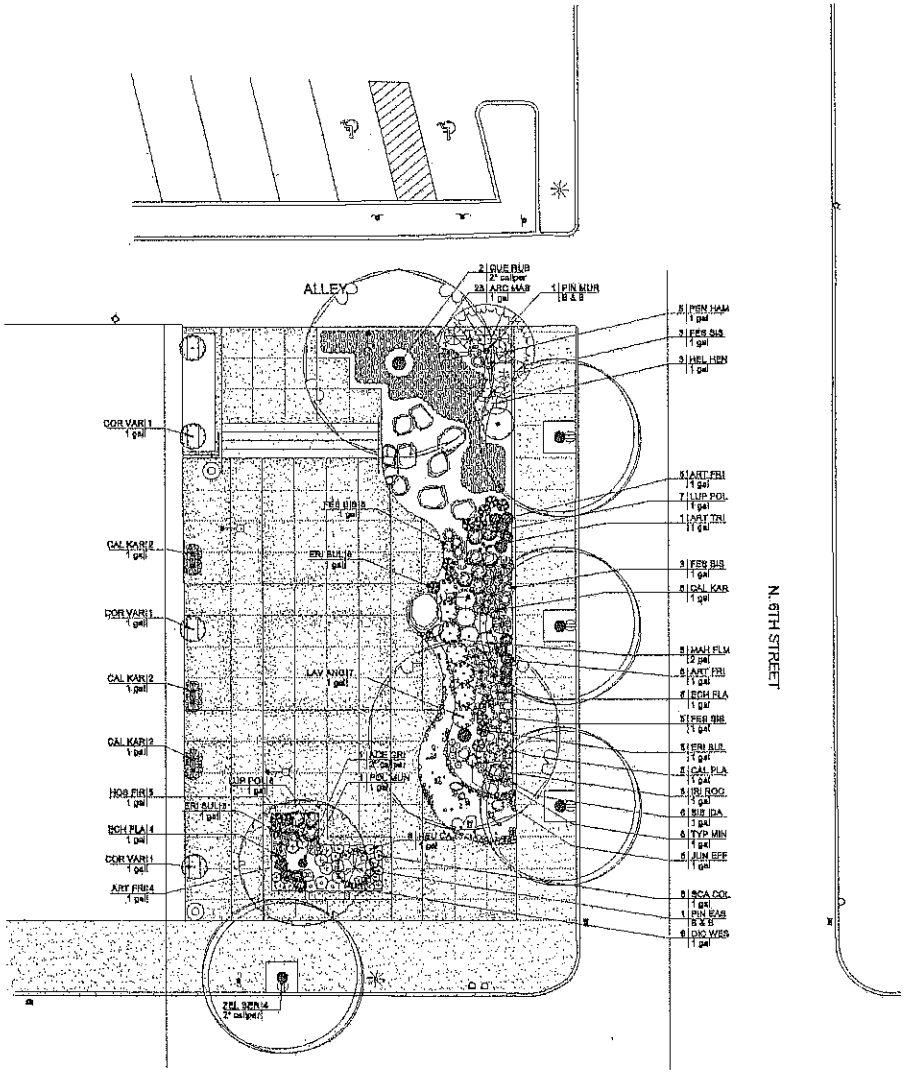
- Plan sheet L4.1R illustrating site layout
- Informal quote solicitation letter for concrete work
- Informal quote solicitation record
- Notice of Intent to Award (NOITA)
- Sample contract

RECOMMENDED MOTION/ACTION:

Move to approve Option 1 and authorize a Construction Services Contract with Head Painting and Concrete, Inc. for concrete work associated with Sugarman's Corner in the amount not-to-exceed of $37,244.50.

NOTICE SENT TO:

All parties who submitted quotes for this project listed in the attached Informal Quote Solicitation Record.



PLANT SCHEDULE

TREES	BOTANICAL NAME / COMMON NAME	CONT	SIZE	QTY
ACE GRI	Acer griseum / Paperbark Maple	2" caliper		1
PIN MUR	Pinus contorta "Murayana" / Shore Pine	B & B	7-8'	1
PIN EAS	Pinus strobus "Nana" / Dwarf Eastern White Pine	B & B	30-36	1
QUE RUB	Quercus rubra / Red Oak	2" caliper		2
ZEL SER	Zelkova serrata / Serrated Zelkova	2" caliper		4

SHRUBS	BOTANICAL NAME / COMMON NAME	SIZE	QTY
ARC PAT	Arctostaphylos patula / Green-Leaf Manzanita	5 gal	1
ART FRI	Artemisia frigida / Fringed Wormwood	1 gal	14
ART TRI	Artemisia tridentata / Big Sagebrush	1 gal	1
CAL KAR	Calamagrostis x acutiflora "Karl Foerster" / Feather Reed Grass	1 gal	12
CAL PLA	Caltha palustris / Marsh Marigold	1 gal	8
COR VAR	Cornus sericea 'Variegata' / Redtwig Dogwood	1 gal	4
DIG WES	Dicentra formosa / Western Bleeding-Heart	1 gal	8
ECH FLA	Echinacea x "Flamethrower" / Coneflower	1 gal	10
ERI BUL	Eriogonum umbellatum / Sulfurflower Buckwheat	1 gal	16
FES BIS	Festuca idahoensis "Siskiyou Blue" / Siskiyou Blue Fescue	1 gal	16
HEL HEN	Helianthemum nummularium "Henfield Brilliant" / Henfield Brilliant Rock Rose	1 gal	3
HEU CAL	Heuchera x "Cajun Fire" / Coral Bells	1 gal	8
HOS FIR	Hosta x "Fire Island" / Fire Island Plantain Lily	1 gal	8
RI ROG	Ribes roezlii / Western Blue Rie	1 gal	8
JUN EFF	Juncus effusus / Soft Rush	1 gal	8
LAV ANG	Lavandula angustifolia / English Lavender	1 gal	7
LUP POL	Lupinus polyphyllus / Large-leaved Lupine	1 gal	10
MAH FLM	Mahonia aquifolium "Orange Flame" / Oregon Grape	2 gal	8
PEN HAM	Pennisetum alopecuroides "Hamelin" / Hamelin Dwarf Fountain Grass	1 gal	8
POL MUN	Polystichum munitum / Western Sword Fern	1 gal	3
SCA COL	Scabiosa columbaria "Butterfly Blue" TM / Butterfly Blue Scabiosa	1 gal	8
SIS IDA	Sisyrinchium idahoense / Idaho Blue Eyed Grass	1 gal	8
TYP MIN	Typha minima / Dwarf Japanese Cattail	1 gal	8

GROUND COVERS	BOTANICAL NAME / COMMON NAME	CONT	
	Arctostaphylos uva-ursi "Massachusetts" / Massachusetts Manzanita	1 gal	28

GENERAL PLANTING NOTES

1. ALL PLANTING AREAS SHALL RECEIVE 3" OF BARK MULCH PER THE SPECIFICATIONS.
2. ALL PROPOSED SHRUB PLANTING IN NEW CONSTRUCTION AREAS SHALL RECEIVE A MIN. 12" OF IMPORTED TOPSOIL MIX (INCLUDING 2" OF AGED COMPOST). SEE SPECIFICATIONS.
3. PRE-EMERGENT HERBICIDE SHALL BE APPLIED TO ALL PLANTING AREAS PER THE SPECIFICATIONS.
4. ALL PROPOSED PLANT MATERIAL SHALL BE WARRANTED FOR ONE (1) YEAR FROM THE TIME OF FINAL ACCEPTANCE.
5. THE NUMERICAL TEXT QUANTITIES OF PLANTS SHOWN ON THE PLAN ARE FOR THE CONTRACTORS CONVENIENCE ONLY. THE CONTRACTOR IS RESPONSIBLE FOR PROVIDING THE QUANTITY OF PLANT MATERIAL SHOWN GRAPHICALLY ON THE PLAN. QUANTITIES AND SIZES OF PLANTS SHALL NOT BE ALTERED WITHOUT WRITTEN PERMISSION FROM THE OWNER'S REPRESENTATIVE.
6. REVIEW SPECIFICATION SECTIONS 02940 AND 02950 FOR ALL ASPECTS OF PLANTING INSTALLATION.

NORTH
SCALE: 1"=10'-0"
0 10' 20'

galbraith AND ASSOCIATES
LANDSCAPE ARCHITECTURE & SITE PLANNING
316 S. GRAPE STREET
MEDFORD, OR 97501
PH. 541.770.7954
FAX 541.770.5164
OREGON LICENSED No. 254 (GA., 1985)

REGISTERED 254 JOHN L. GALBRAITH OREGON 04/07/86 LANDSCAPE ARCHITECT

This document, and the ideas and designs incorporated herein, as an instrument of professional service, is the property of Galbraith & Associates, Inc. and is not to be used, modified, or changed in whole or in part, for any other purpose without the written authorization of John Galbraith, Landscape Architect.

Klamath Falls
Sugarman's Corner

Main St. & N. 6th St.
Klamath Falls, OR

REVISIONS:
△ 01.07.10
△

Planting Plan

JOB NO.: 1505
INITIAL DATE: 10.30.15
DRAWN BY: JL
REVIEWED BY: JG
JOB STATUS:

L4.1R

City of Klamath Falls
Public Works Department - Engineering Division
PO Box 237, Klamath Falls, OR 97601**Capital**
Projects Section – 226 South 5th

Feb 25, 2016

Subject: Request for Quote on the Concrete portion of the Sugarman's Corner Project.

To Selected Quoters:

On behalf of the City of Klamath Falls, I am conducting an informal solicitation request from local area contractors to submit a quote for the subject project.

THE WORK CONTEMPLATED GENERALLY INCLUDES, BUT IS NOT LIMITED TO:

- Installation of concrete sidewalk, curb and detectable warnings
- Installation of area trench drains
- Installation of light pole standards
- Installation of colored concrete paving, stairs and "paver bands"
- Installation of a colored retaining wall
- Installation of a colored raised planter.

FACTS AND INFORMATION:

- Return your quote submittal to Scott Souders at 226 South 5th Street, by no later than Thursday, March 3, 2016 @ 12:00PM.
- This is an informal solicitation. The quotes will be compiled and a Notice of Intent to Award shall be issued March 10, 2016.
- Tentatively this project will be awarded at the City's March 21, 2016 Council meeting.
- The Contractor of record will have ten days after Council Award to submit all required documents (payment bond, City business license, proof of Oregon CCB#/insurance/bond, and other related documents required by the City of Klamath Falls Administration office per contract document) to the City before the Contract Document can be signed. A Notice to Proceed will follow within two working days of the contract being signed.
- Quote Plans have been included in this request packet.
- This project **is** subject to State prevailing wages.

For purposes of preparing your quote, the City has provided the following information:

- Quote Schedule
- Exhibit 'A'
- Light Pole Standard Detail
- Section 01025 Measurement and Payment
- Original Project Drawing Bid Set

3

The Contractor shall provide a Quote based on the quantity takeoffs in the Quote Schedule. The attached Original Project Drawing Bid set is provided as a reference for details and construction requirements. Sheet L4.1R and Exhibit 'A' illustrate the site layout to be constructed

Thank you in advance, for taking the time to submit a quote on this project. We look forward to hearing from you on or before the deadline provided in this request.

Respectively,

Scott Souders, PE
City Engineer

Encl.

CONTRACTS/PURCHASES
INFORMAL SOLICITATION RECORD

The City's Public Contracting Regulations allow, in lieu of a formal bidding process, the obtaining of a minimum of three (3) competitive quotes for the following contracts/purchases:

- Non-Transportation "Public Improvements" between $5,000 and $100,000
- Transportation "Public Improvements" between $5,000 and $50,000
- General Contracts/Purchases between $5,000 and $150,000

Contracts/Purchases in excess of these amounts require formal bid.

Please use this form to record the quotes. [A refusal to bid does not count as a quote. If three offers cannot be obtained, a lesser number may be approved if a written record of efforts to obtain the quote is made.] If written quotes are obtained, please attach copies.

PROJECT: Sugarman's Corner Concrete Work

JUSTIFICATION: Non-Transportation Public Improvements between $5,000 and $100,000

DEPARTMENT: Engineering

PERSON OBTAINING QUOTES: Scott Souders Date: 03-03-16

Date	Firm Name	Quote	Comments
03-03-16	Head Painting & Concrete, Inc.	$37,244.50	
03-03-16	Hamilton Construction	$45,283.00	
03-03-16	Diversified Contractors	$54,414.00	

RECOMMENDATION: Head Painting & Concrete, Inc.

APPROVED

Department Director — Date 3/4/16

Legal Review:
Complies with Policies: Yes ☑ No ☐
Requires Exemption from competitive bidding: Yes ☐ No ☐ Quotes ok
Contract Needed: Yes ☑ No ☐

If Contract needed, who draws contract:
Department ☒
Legal ☐
Council Authorization: Yes ☑ No ☐

City Attorney — Date 3/7/16

~~Finance Director~~ Support Services Director — Date 3/8/16

City Manager — Date 3.8.16

NOTE: Contracts/purchases for more than TWENTY THOUSAND DOLLARS (~~$20,000.00~~ Five $25,000) require City Council authorization.

Revised 03/05

3

The name of the Company who is submitting this Quote is:

Head Painting + Concrete INC.

doing business at 3609 Hwy 39
(Street Address)

Klamath Falls — City
Klamath — County
OR. — State

which address is the address to which all communications concerning this Quote and Contract shall be sent.

I (We), acknowledge that **Addenda numbers** None **through** _____ have been received and have been examined as part of the Contract Documents. (If none have been received, write "none" in the above space.) The President's Executive Order 11246, the Certification of Nonsegregated Facilities and the Certification of Nondiscrimination in Employment contained herein and executed by the Quoter are hereby made a part of this Quote.

The Contractor and/or each Subcontractor, in preparing the Quote submitted, shall pay each employee an amount not less than the applicable prevailing rate of wage for an hour's work in the same trade or occupation in the locality where such labor is performed. Any employee whose type of work is not covered by any of the classified wage rates shall be paid not less than the rate of wage listed for the classification which most nearly corresponds to the type of work to be performed.

The name(s) of the principal officers of the corporation or members of the partnership, or individual submitting this Quote are:

Roderick Head, Kelly Head

_____, _____

The name of the Quoter is: Head Painting + Concrete INC

155782
Contractor Board License Number

Rodrick Head
Signature of Quoter (**attach proof of signing authority**)

Title: President

Date: 3/1/16

Anyone signing the Quote, other than an individual sole proprietor, shall attach to the Quote legal evidence of signing authority.

2

QUOTE SCHEDULE

ITEM NO.	DESCRIPTION OF WORK	QUANTITY	UNIT	UNIT PRICE	QUOTE PRICE
	QUOTE SCHEDULE "A" Civil				
A1	Type 'B' Concrete Curb	235	LF	19.00	4465.00
A2	Concrete Sidewalks	940	SF	6.15	5781.00
A3	Detectable Warning	2	EA	128.00	256.00
A4	Trench Drain (Trench Drain Provided by Owner)	1	LS	1050.00	1050.00
A5	Light Pole Standard	5	EA	450.00	2250.00
				Sub Total:	13,802.00
	QUOTE SCHEDULE "B" Landscape				
B1	Install Colored Concrete Raised Planter	1	LS	4850.00	4850.00
B2	Install Colored Concrete Paving (excludes sidewalk, curbs, stairs, & walls)	2100	SF	2.90	6090.00
B3	Install Colored Concrete Retaining wall	1	LS	3250.00	3250.00
B4	Install Colored Concrete Stairs	125	LF	22.80	2850.00
B5	Install Colored Concrete "Paver Bands"	985	SF	6.50	6402.50
				Sub Total:	23,442.50
	TOTALS =				37,244.50

** See Exhibit 'A', Section 1025 – Measurement and Payment, and Original Project Drawing Bid Set for additional information. By Head Paving + Concrete Inc

3

The name of the Company who is submitting this Quote is:

Hamilton Construction Inc.

doing business at 15741 Hill Rd
(Street Address)

Klamath Falls OR Klamath OR
City County State

which address is the address to which all communications concerning this Quote and Contract shall be sent.

I (We), acknowledge that **Addenda numbers** _____ **through** _____ have been received and have been examined as part of the Contract Documents. (If none have been received, write "none" in the above space.) The President's Executive Order 11246, the Certification of Nonsegregated Facilities and the Certification of Nondiscrimination in Employment contained herein and executed by the Quoter are hereby made a part of this Quote.

The Contractor and/or each Subcontractor, in preparing the Quote submitted, shall pay each employee an amount not less than the applicable prevailing rate of wage for an hour's work in the same trade or occupation in the locality where such labor is performed. Any employee whose type of work is not covered by any of the classified wage rates shall be paid not less than the rate of wage listed for the classification which most nearly corresponds to the type of work to be performed.

The name(s) of the principal officers of the corporation or members of the partnership, or individual submitting this Quote are:

Dave Hamilton Pres., _____

_____, _____

The name of the Quoter is: Dave Hamilton

152481
Contractor Board License Number

Dave Hamilton
Signature of Quoter **(attach proof of signing authority)**

Title: Pres

Date: 3-3-2016

Anyone signing the Quote, other than an individual sole proprietor, shall attach to the Quote legal evidence of signing authority.

3

QUOTE SCHEDULE

ITEM NO.	DESCRIPTION OF WORK	QUANTITY	UNIT	UNIT PRICE	QUOTE PRICE
	QUOTE SCHEDULE "A" CMI				
A1	Type 'B' Concrete Curb	235	LF	21.00	4935.00
A2	Concrete Sidewalks	940	SF	4.25	3995.00
A3	Detectable Warning	2	EA	350.00	700.00
A4	Trench Drain (Trench Drain Provided by Owner)	1	LS		1500.00
A5	Light Pole Standard	5	EA	285.00	1425.00
				Sub Total:	12,555.00
	QUOTE SCHEDULE "B" Landscape				
B1	Install Colored Concrete Raised Planter	1	LS		3580.00
B2	Install Colored Concrete Paving (excludes sidewalk, curbs, stairs, & walls)	2100	SF	5.60	11,760.00
B3	Install Colored Concrete Retaining wall	1	LS		4485.00
B4	Install Colored Concrete Stairs	125	LF	26.00	3250.00
B5	Install Colored Concrete "Paver Bands"	985	SF	9.80	9653.00
				Sub Total:	32,728.00
	TOTALS =				45,283.00

** See Exhibit 'A', Section 1025 – Measurement and Payment, and Original Project Drawing Bid Set for additional information.

3

The name of the Company who is submitting this Quote is:

Diversified Contractors Inc.

doing business at 3001 Lakeport Blvd.
(Street Address)

Klamath Falls — City
Klamath — County
Oregon — State

which address is the address to which all communications concerning this Quote and Contract shall be sent.

I (We), acknowledge that **Addenda numbers** Ø **through** Ø have been received and have been examined as part of the Contract Documents. (If none have been received, write "none" in the above space.) The President's Executive Order 11246, the Certification of Nonsegregated Facilities and the Certification of Nondiscrimination in Employment contained herein and executed by the Quoter are hereby made a part of this Quote.

The Contractor and/or each Subcontractor, in preparing the Quote submitted, shall pay each employee an amount not less than the applicable prevailing rate of wage for an hour's work in the same trade or occupation in the locality where such labor is performed. Any employee whose type of work is not covered by any of the classified wage rates shall be paid not less than the rate of wage listed for the classification which most nearly corresponds to the type of work to be performed.

The name(s) of the principal officers of the corporation or members of the partnership, or individual submitting this Quote are:

Mark R Wendt, President

Brad Mason, Vice President

The name of the Quoter is: Mark R. Wendt.

41320.
Contractor Board License Number

Mark R. Wendt
Signature of Quoter (**attach proof of signing authority**)

Title: President

Date: 3-3-16.

Anyone signing the Quote, other than an individual sole proprietor, shall attach to the Quote legal evidence of signing authority.

3

QUOTE SCHEDULE

ITEM NO.	DESCRIPTION OF WORK	QUANTITY	UNIT	UNIT PRICE	QUOTE PRICE
	QUOTE SCHEDULE "A" Civil				
A1	Type 'B' Concrete Curb	235	LF	21.00	4935.00
A2	Concrete Sidewalks	940	SF	5.40	5076.00
A3	Detectable Warning	2	EA	250.00	500.00
A4	Trench Drain (Trench Drain Provided by Owner)	1	LS	2535.00	2535.00
A5	Light Pole Standard	5	EA	525.00	2625.00
				Sub Total:	15,671.00
	QUOTE SCHEDULE "B" Landscape				
B1	Install Colored Concrete Raised Planter	1	LS	6300.00	6300.00
B2	Install Colored Concrete Paving (excludes sidewalk, curbs, stairs, & walls)	2100	SF	6.80	14,400.00
B3	Install Colored Concrete Retaining wall	1	LS	5720.00	5,720.00
B4	Install Colored Concrete Stairs	125	LF	45.00	5,625.00
B5	Install Colored Concrete "Paver Bands"	985	SF	6.80	6,698.00
				Sub Total:	38,743.00
	TOTALS =			54,414.00	

** See Exhibit 'A', Section 1025 – Measurement and Payment, and Original Project Drawing Bid Set for additional information.

Scott,
Why did you guys take out the pavers just to save small amounts of money?

Mark

3

City of Klamath Falls
Public Works Department - Engineering Division
PO Box 237, Klamath Falls, OR 97601
Capital Projects Section – 226 South 5th St
TEL (541) 883-5368; FAX (541) 882-3513
http://www.kfallsengineering.com

Date: 03/03/16

To: All Quoters
From: Scott Souders, PE
CC: Mark Willrett, PE; Elisa Olson; Erik Nobel

Re: Notice of Intent to Award – Sugarman's Corner Concrete Work

---

Thank you for your interest and submitting a quote on this project. In accordance with the City of Klamath Falls policies and procedures for awarding contracts, the City is hereby notifying all parties who submitted a quote for the concrete portion of the Sugarman's Corner Project of their intent to award.

The City of Klamath Falls intends to award a construction services contract to Head Painting & Concrete, Inc. for the concrete portion of the Sugarman's Corner Project in the not-to-exceed amount of $37,244.50 at the City's March 21, 2016 City Council meeting.

If you have any questions or comments please contact me during regular business hours at 541-883-5290.

CONTRACT AGREEMENT
CONSTRUCTION SERVICES
HEAD PAINTING & CONCRETE, INC.
SUGARMAN'S CORNER CONCRETE WORK

THIS AGREEMENT is made this _____ day of _____, 2016, by and between the CITY OF KLAMATH FALLS, a municipal corporation, herein referred to as "CITY," and HEAD PAINTING & CONCRETE, INC. herein referred to as "CONTRACTOR."

In consideration of the mutual promises set forth herein, CITY and CONTRACTOR agree as follows:

1. Description of Work. CONTRACTOR agrees to perform the services set forth in the quote, incorporated herein by this reference. Time is of the essence in completing this Contract and CONTRACTOR agrees to complete the services set forth no later than June 17, 2016. Contractor also agrees to complete the work as described in the general conditions, plans, bid specifications/requirements, addendum(s), all of which are incorporated herein by this reference and made a part of this Contract.

2. Payment. CITY agrees to pay CONTRACTOR a sum not to exceed $37,244.50 for the work to be performed under this Contract. Payment is to be made within thirty (30) days of receipt of CONTRACTOR'S billings. The "retainage provisions" of ORS 279C.550 through 279C.570 shall apply to these payment terms.

3. Relationship of the Parties. The parties intend that an independent contractor relationship will be created by this Contract. CITY is interested only in the results to be achieved, and the conduct and control of the work will lie solely with CONTRACTOR. CONTRACTOR is not to be considered an agent or employee of CITY for any purpose, and the employees of CONTRACTOR are not entitled to any of the benefits that CITY provides for CITY's employees. It is understood that CITY does not agree to use CONTRACTOR exclusively. It is further understood that CONTRACTOR is free to contract for similar services to be performed for other persons while they are under contract with CITY.

4. Indemnity. CONTRACTOR hereby agrees to defend, indemnify and save harmless City of Klamath Falls, its elected officials, employees, agents, and volunteers against any and all loss, damage, liability, claims, demands, or costs resulting from injury or harm to persons or property (including, without limitation, CONTRACTOR'S employees or property) to the extent arising out of or in any way connected with CONTRACTOR'S negligent performance hereof.

5. Insurance. The work to be performed under this Contract will be performed entirely at CONTRACTOR's risk. CONTRACTOR shall not commence work under this Contract until it has furnished CITY with proof of insurance coverage issued by an insurance company licensed to do business in the State of Oregon and a certificate satisfactory to the CITY, as specified below:

5.1. Workers' compensation coverage as required by law and to include employer's liability with limits of not less than $500,000 per occurrence; or, alternatively, CONTRACTOR shall provide documentation establishing that CONTRACTOR is exempt from workers' compensation coverage pursuant to ORS Chapter 656.

5.2. General commercial liability coverage for damages as a result of death or bodily injury (including personal injury) to any person's destruction or damage to any property with limits of not less than $1,000,000 each occurrence, $2,000,000 policy aggregate. Such

coverage shall include, but is not limited to the following: commercial general liability coverage, products liability including completed operations, premises operations including X (explosion), C (collapse), U (underground), and personal injury. All coverage shall be on an occurrence basis and not on a claim made basis.

5.3. If CONTRACTOR uses automobiles to complete the contract, automobile liability insurance as a result of death or bodily injury to any persons, or destruction of or damage to any property arising out of the ownership, maintenance or use of any owned, non-owned or hired motor vehicle with limits of not less than $500,000 per occurrence. All coverage shall be on an occurrence basis.

5.4. CONTRACTOR shall maintain an excess/umbrella liability policy of not less than $2,000,000 each occurrence and aggregate that will provide excess limits of liability over the commercial general liability, automobile liability, and employer's liability.

5.5. The following inclusions to CONTRACTOR'S certificate of insurance shall be made:

5.5.1. Waiver of transfer of rights of recovery against others to City of Klamath Falls;

5.5.2. The insurance is primary to and non-contributory with any insurance maintained by City of Klamath Falls;

5.5.3. All required coverage shall be written with companies that have at least an AmBest rating of A-;

5.5.4. The insurance shall provide a 30 day notice of cancellation or material change; and

5.5.5. The insurance certificate shall include endorsements for additional insured, naming "City of Klamath Falls, its elected officials, employees, agents, and volunteers" as an additional insured. The additional insured endorsement shall be attached to the certificate of insurance. The additional insured shall contain a severability of interest provision in favor of City of Klamath Falls and a waiver of subrogation in favor of City of Klamath Falls.

6. Compliance with Oregon Public Improvement Rules and Regulations. CONTRACTOR shall comply with the following Oregon laws and regulations relating to public improvements:

6.1. CONTRACTOR shall make payment promptly, as due, to all persons supplying to CONTRACTOR labor or material for the performance of the work to be performed under this Contract. CONTRACTOR shall not permit any lien or claim to be filed or prosecuted against the CITY on account of any labor or material furnished. [ORS 279C.505(1)(a) & (c)]

6.2. CONTRACTOR shall pay all contributions or amounts due the Industrial Accident Fund from CONTRACTOR, or any subcontractor, incurred in the performance of this Contract. [ORS 279C.505(1)(b)]

6.3. CONTRACTOR shall pay to the Oregon Department of Revenue all sums withheld from employees pursuant to ORS 316.167. [ORS 279C.505(1)(d)]

6.4. CONTRACTOR shall comply with the overtime and maximum hours of labor provisions of ORS 279C.520 and 279C.540.

6.5. If the CONTRACTOR fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the CONTRACTOR or a subcontractor by any person, or the assignee of the person in connection with this Contract as the claim becomes due, CITY may, at its option, pay such claim and charge the amount of payment against funds due or to become due CONTRACTOR by reason of this Contract. [ORS 279C.515(1)]

6.6. If the CONTRACTOR or a first-tier subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with this Contract within 30 days after receipt of payment from the CITY, the CONTRACTOR or first-tier subcontractor shall owe the person the amount due plus interest charges

commencing at the end of the 10-day period that payment is due under ORS 279C.580(4) and ending upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest charged to the CONTRACTOR or first-tier subcontractor on the amount due shall equal three times the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district that includes Oregon on the date that is 30 days after the date when payment was received from the contracting agency or from the CONTRACTOR, but the rate of interest may not exceed 30 percent. The amount of interest may not be waived. If the CONTRACTOR or a subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with this Contract, the person may file a complaint with the Construction Contractors Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The payment of a claim in the manner authorized in this section does not relieve the CONTRACTOR or CONTRACTOR's surety from obligation with respect to any unpaid claims. [ORS 279C.515(2), (3) & (4)]

6.7. CONTRACTOR shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to employees of CONTRACTOR, of all sums that the CONTRACTOR agrees to pay for the services and all moneys and sums that the CONTRACTOR collected or deducted from the wages of the CONTRACTOR'S employees under any law, contract or agreement for the purpose of providing or paying for the services. [ORS 279C.530(1)]

6.8. CONTRACTOR shall demonstrate to the reasonable satisfaction of CITY that an employee drug testing program is in place. [ORS 279C.505(2)]

6.9. CONTRACTOR shall, if feasible and cost-effective, salvage or recycle all construction and demolition debris. [ORS 279C.510]

6.10. CONTRACTOR and all subcontractors must have a "Public Works" bond in an amount of not less than $30,000 filed with the Construction Contractors Board before starting work under this Contract, unless otherwise exempt under ORS 279C.836. This provision must be contained in all subcontracts. CONTRACTOR shall provide a copy of said bond to CITY before starting the project. [ORS 279C.830(3)]

6.11. CONTRACTOR warrants that it has complied with the tax laws of this state or a political subdivision of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317 and 318. CONTRACTOR agrees it will continue to comply with the tax laws of this state or a political subdivision of this state during the term of the public contract. CONTRACTOR'S failure to comply with the tax laws of this state or a political subdivision of this state is a default for which CITY may terminate the contract and seek damages and other relief available under the terms of the contract or under applicable law.

7. Prevailing Wage. CITY has determined that this Contract is subject to Oregon prevailing wage, and CONTRACTOR must comply with the prevailing wage rate requirements of ORS 279C.800 through 279C.870. These requirements include, without limitation, that CONTRACTOR shall, in compliance with ORS 279C.840, pay each worker in each trade or occupation employed either by the CONTRACTOR, subcontractor or other person doing or contracting to do or contracting for the whole or any part of the work on this contract: i) not less than the state minimum hourly prevailing rate of wage [ORS 279C.830 and .838]; and ii) overtime as required by ORS 279C.540. [ORS 279C.830] Workers must be paid not less than the applicable state or federal prevailing wage rate, whichever is higher. [ORS 279C.830(1)(c); OAR 839-025-0020(3)

8. Provisions Concerning Environmental and Natural Resources Laws. Contractor shall comply with ORS 279C.525 concerning public improvements:

8.1. If the CONTRACTOR is delayed or must undertake additional work by reason of existing ordinances, rules or regulations of agencies not cited in this Contract or the bid specifications, or due to the enactment of new or the amendment of existing statutes, ordinances, rules or regulations relating to the prevention of environmental pollution and the preservation of natural resources occurring after the submission of the successful bid, the CITY may: terminate the Contract; complete the work itself; use non-agency forces already under contract with the CITY; require that the underlying property owner be responsible for cleanup; solicit bids for a new contractor to provide the necessary services under the CITY's competitive bid requirements; or issue the CONTRACTOR a change order setting forth the additional work that must be undertaken.

8.2. If the CONTRACTOR encounters a condition not referred to in the solicitation documents, not caused by the CONTRACTOR and not discoverable by a reasonable pre-bid visual site inspection, and the condition requires compliance with the ordinances, rules or regulations referred to under section 9.1, the CONTRACTOR shall immediately give notice of the condition to the contracting agency.

8.3. Except in the case of an emergency and except as may otherwise be required by any environmental or natural resource ordinance, rule or regulation, CONTRACTOR may not commence work nor incur any additional job site costs in regard to the condition encountered and described in section 9.2 without written direction from the CITY.

8.4. Upon request by the CITY, the CONTRACTOR shall estimate the emergency or regulatory compliance costs as well as the anticipated delay and costs resulting from the encountered condition. This cost estimate shall be promptly delivered to the CITY for resolution.

8.5. Within a reasonable period of time following delivery of an estimate under subsection 9.4, the CITY may: terminate the contract; complete the work itself; use non-agency forces already under contract with the CITY; require that the underlying property owner be responsible for cleanup; solicit bids for a new contractor to provide the necessary services under the CITY's competitive bid requirements; or issue the CONTRACTOR a change order setting forth the additional work that must be undertaken.

8.6. The following provisions apply to this Contract:

8.6.1. If the CITY chooses to terminate this Contract under section 9.1 or 9.5, the CONTRACTOR shall be entitled to all costs and expenses incurred up to the date of termination, including overhead and reasonable profits, on the percentage of the work completed. The CITY shall have access to the CONTRACTOR's bid documents when making the CITY's determination of the additional compensation due to the CONTRACTOR.

8.6.2. If the CITY causes work to be done by another contractor for conditions under section 9.1 or 9.5, the CONTRACTOR may not be held liable for actions or omissions of the other contractor.

8.6.3. The change order under subsection included in section 9.1 or 9.5 shall include the appropriate extension of contract time and compensate to the CONTRACTOR for all additional costs, including overhead and reasonable profits, reasonably incurred as a result of complying with the applicable statutes, ordinances, rules or regulations. The CITY shall have access to the CONTRACTOR's bid documents when making the CITY's determination of the additional compensation due to the CONTRACTOR.

8.7. Notwithstanding section 9.1 to 9.6:

8.7.1. All or a portion of the known environmental and natural resource risks may have been allocated to the CONTRACTOR by the listing of such environmental and natural resource risks with specificity in the solicitation documents.

8.7.2. In a local improvement district, all or a portion of the known and unknown environmental and natural resource risks may have been allocated to the CONTRACTOR by so stating in the solicitation documents.

8.7.3. The allocation of known environmental and natural resources risks set forth in the solicitation documents prevail over the general provisions set forth in section 9.1 through 9.6.

9. Relations with Subcontractors. CONTRACTOR shall include the following provisions in each subcontract for property or services entered into by the CONTRACTOR and a first-tier subcontractor, including a material supplier, for the purposes of performing this construction contract pursuant to ORS 279C.580:

9.1. A payment clause that obligates CONTRACTOR to pay the first-tier subcontractor for satisfactory performance under its subcontract within 10 days out of such amounts as are paid to the CONTRACTOR by the CITY under the Contract; and

9.2. An interest penalty clause that obligates the CONTRACTOR, if payment is not made within 30 days after receipt of payment from the CITY, to pay to the first-tier subcontractor an interest penalty on amounts due in the case of each payment not made in accordance with the payment clause included in the subcontract under section 10.1. The CONTRACTOR or first-tier subcontractor may not be obligated to pay an interest penalty if the only reason that the CONTRACTOR or first-tier subcontractor did not make payment when payment was due is that the CONTRACTOR or first-tier subcontractor did not receive payment from the CITY or CONTRACTOR when payment was due. The interest penalty shall be for the period beginning on the day after the required payment date and ending on the date on which payment of the amount due is made; and computed at the rate specified in ORS 279C.515 (2).

9.3. A provision requiring the first-tier subcontractor to include a payment clause and an interest penalty clause conforming to the standards of subsections 10.1 and 10.2 in each of the first-tier subcontractor's subcontractors and to require each of the first-tier subcontractor's subcontractors to include clauses in their subcontracts with each lower-tier subcontractor or supplier.

10. Warranty; Responsibility of CONTRACTOR. The CONTRACTOR warrants to CITY that materials and equipment furnished under this Contract will be of good quality and new unless otherwise required or permitted by CITY, and that all workmanship is in accordance with the standards of the trade. CONTRACTOR shall perform the services set forth herein in an efficient, expeditious and professional manner in accordance with all applicable laws governing such work. CONTRACTOR shall be responsible for the professional quality, technical adequacy and accuracy, and timely completion of work and services to be performed by CONTRACTOR under this Contract.

11. Asbestos & Recycling. It is CITY's policy to avoid, to the maximum extent possible, the use of materials containing asbestos in CITY improvement and construction projects. No materials containing asbestos shall be furnished as part of this Contract without the prior written approval of the CITY. CONTRACTOR shall make reasonable efforts to ensure, to the maximum extent economically feasible, the utilization of materials that may be recycled or reused when discarded. [ORS 279B.025] If this Contract involves demolition, CONTRACTOR shall salvage or recycle construction and demolition debris, if feasible and cost-effective. [ORS 279C.510(1)]

12. Equal Employment Opportunity/Affirmative Action/Minority Business Enterprises.

12.1. Throughout the term of this Contract, CONTRACTOR shall fully comply with the equal employment opportunity requirements of federal, state and local law and shall maintain a policy that all employment decisions, practices and procedures are based on merit and ability without discrimination on the basis of an individual's race, color, religion, age, sex, national origin, or physical or mental disability. CONTRACTOR's policy shall apply to all employment actions including advertising, recruiting, hiring, promotion, transfer, disciplinary action, lay-off and termination.

12.2. CONTRACTOR shall carry out its equal employment opportunity policy by making a determined and good-faith effort at affirmative action to employ, and advance in employment, women, minorities, the physically and mentally disabled and other disadvantaged groups.

12.3. CONTRACTOR shall make a determined and good faith effort to utilize minority and female business enterprises in its contracted expenditures, including without limitation contracts for the acquisition of goods, services, materials, supplies and equipment used in the performance of this Contract.

12.4. CONTRACTOR may not discriminate against a subcontractor in the awarding of a subcontract because the subcontractor is a minority, women or emerging small business enterprise certified under ORS 200.055. By executing this Contract, CONTRACTOR certifies that CONTRACTOR has not discriminated and will not discriminate, in violation of this subsection, against any minority, women or emerging small business enterprise in obtaining any required subcontract. If the CONTRACTOR violates this certification, the CITY may regard the violation as a breach of contract that permits: (a) termination of the Contract; or (b) the CITY to exercise any remedies for breach of contract that are reserved or allowed in this Contract. [ORS 279A.110]

13. Assignment. The parties each hereby bind themselves, their successors, assigns and legal representatives to each other with respect to the terms of this Agreement. Neither party shall assign, sublet or transfer any interest in this Agreement without written authorization of the other.

14. Notices. All written notices given to the CITY by CONTRACTOR shall be addressed to and filed with the City Manager at City of Klamath Falls, P.O. Box 237, Klamath Falls, Oregon 97601, or by facsimile at 541-883-5399. All written notices from the CITY to CONTRACTOR shall be addressed to Head Painting & Concrete, Inc., 3609 Highway 39, Klamath Falls, OR 97603, unless notice of change of address is received by the CITY.

15. Legal Actions.

15.1. This Agreement shall be enforceable in Klamath County, Oregon, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for the enforcement of same shall lie in Klamath County Circuit Court.

15.2. If suit or action is taken to enforce any of the provisions of this Agreement, the party prevailing therein shall be entitled to recover from the other such sum as the Court may adjudge reasonable as attorney fees therein, including any appeal thereof, in addition to all other sums provided by law.

16. Termination. This Contract may be terminated at any time by mutual written consent of the parties. Upon receiving a notice of termination of this Contract, CONTRACTOR shall immediately cease all activities under this Contract, unless CITY expressly directs otherwise in such notice of termination. Upon termination of this Contract, CONTRACTOR shall deliver to CITY all documents, information, works-in-progress and other property that are or would be deliverables had the contract been completed. Expiration or termination of this Contract shall not extinguish or prejudice CITY'S right to enforce this Contract with respect to any breach of a contractor warranty or any default or defect in contractor performance that has not been cured. CITY may terminate this Contract, in whole or in part, upon ten days notice to CONTRACTOR, if any of the following occur:

16.1. CITY fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to pay for CONTRACTOR's work;
16.2. Federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Contract is prohibited or CITY is prohibited from paying for such work from the planned funding source;
16.3. CONTRACTOR no longer holds any license or certificate that is required to perform the work, or any license or certificate required by statute, rule, regulation or other law to be held by the CONTRACTOR to provide the services required by this Contract is for any reason denied, revoked, suspended, not renewed or changed in such a way that CONTRACTOR no longer meets requirements for such license or certificate; or
16.4. CONTRACTOR commits any material breach or default of any covenant, warranty, obligation or agreement under this Contract, fails to perform the work under this Contract within the time specified herein or any extension thereof, or so fails to pursue the work as to endanger CONTRACTOR's performance under this Contract in accordance with its terms, and such breach, default or failure is not cured within ten business days after delivery of CITY's notice, or such longer period of cure as CITY may specify in such notice.

IN WITNESS WHEREOF, the parties have executed this Agreement at Klamath Falls, Oregon, the day and year first above written.

CITY OF KLAMATH FALLS	**CONTRACTOR**
By: _____	By: _____
City Manager	Name: _____
	Title: _____
Attest: _____	Attest: _____
City Recorder	Secretary

APPROVED AS TO FORM:

_____

City Attorney

3

KLAMATH FALLS CITY COUNCIL
AGENDA REPORT

Agenda Item No. 4

Date: March 21, 2016

Department: Code Enforcement	Contact/Title: Joanna Lyons-Antley, City Attorney
Staff Presenter: Joanna Lyons-Antley	Telephone No.: 541-883-5323
City Manager Review:	Email: jlyons@klamathfalls.city

TOPIC: Ordinance Adding Sections 8.175 to 8.198 of the City Code and Amending Section 8.980 Relating to Vacant Property Registration – First Reading

SUMMARY AND BACKGROUND:

On March 7th, City Council considered adoption of a vacant property registration Ordinance. The purpose of the Ordinance is to locate responsible parties and impose responsibility for maintenance on vacant properties that have not yet gone through foreclosure. These homes are called "zombie foreclosures."

After some discussion, Council directed staff to clarify language relating to pools, security measures by the Chief of Police, when inspections are required when the borrower has defaulted, and whether irrigation was necessary for maintenance. Staff has addressed the issues and changed the proposed ordinance to:

- Require monthly inspections, not weekly inspections
- No longer require irrigation as maintenance
- Eliminate the specific security measures granted to the Chief of Police and instead enact more flexible requirements, if necessary
- Delete a reference to requirements of fencing pools and spas. Such a reference was not needed because the City does not have a fencing requirement
- Clarify that upon default of the borrower, without reference to the notice of default filed with the County, triggers the inspection to determine whether the property is vacant.

This proposed ordinance was presented to Councilmen Adams and Dodson and they concurred that these changes addressed their concerns expressed in the March 7th meeting.

This is only one tool to address blight. This tool is intended to prevent the loss of value in vacant properties or adjoining properties due to a lack of maintenance. For properties that have already lost substantial value, but that are salvageable, the City is considering other solutions such as receiverships and code lien foreclosures to provide additional tools to solve the diverse issue of blight.

FINANCIAL IMPACT:

There is no fee proposed. Staff believes it will take time to track the vacant property registrations; however, the benefit to the City in holding the lenders responsible for maintenance of vacant properties outweighs the costs.

In some communities, there is a fee to register properties. In the future, the Council might choose to impose a fee if the property is vacant for an extended period of time or require a statement of intent from bank on what steps they are going to take to get the property back on the market. While those are not currently proposed, they are options other communities have used.

COUNCIL OPTIONS:

1. Introduce the proposed Ordinance for first reading.
2. Reject the proposed Ordinance and give staff more direction.

DOCUMENTS ATTACHED:

- Strikethrough of Ordinance
- Proposed Ordinance

RECOMMENDED MOTION/ACTION:

- Take public comment
- Staff recommends option one, move to introduce the Ordinance by title for first reading.

NOTICE SENT TO:

- N/A

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STRIKE THROUGH ORDINANCE

ORDINANCE NO. 16-_____

ORDINANCE ADDING SECTIONS 8.175 TO 8.198 OF THE CITY CODE AND AMENDING SECTION 8.980 RELATING TO VACANT PROPERTY REGISTRATION

WHEREAS, the City desires to create additional tools to deal with the wide-spread problem of housing blight; and

WHEREAS, the City often cannot locate responsible parties in ~~vacant~~Vacant properties that have not yet gone through foreclosure; and

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WHEREAS, the City wishes to require the ~~lender~~Lender of such ~~vacant~~Vacant properties to register the contact information of the ~~lender~~Lender with the City. -The City wishes the ~~lender~~Lender to be responsible to maintain the property for security and to prevent code violations; and, NOW THEREFORE;

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THE CITY OF KLAMATH FALLS HEREBY ORDAINS AS FOLLOWS:

Section 1

Sections 8.175 to 8.198 of the City Code are added as follows:

Vacant Residential Property Registration

8.175 TITLE AND PURPOSE

This Act shall be known and may be cited as the Vacant Residential Property Registration Act. The purpose of this ~~vacant~~Vacant residential property registration program is to protect neighborhoods from becoming blighted through the lack of adequate maintenance and security of ~~vacant~~Vacant properties.

8.178 DEFINITIONS

The following terms as used in Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) shall mean:

(1) Borrower. Any person who becomes obligated on a ~~real estate loan agreement~~Real Estate Loan Agreement, either directly or indirectly, and includes, but is not limited to, mortgagors, vendees under conditional land sales contracts and grantors under trust deeds.

(2) Evidence of ~~vacancy~~Vacancy. Any condition that on its own, or combined with other conditions present, would lead the Chief of Police to believe that the property is ~~vacant~~Vacant. Such conditions include, but are not limited to, overgrown and/or dead vegetation; accumulation of newspapers, circulars, flyers and/or mail; past due utility notices and/or disconnected utilities; accumulation of trash, junk and/or debris; the absence of window coverings such as curtains,

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blinds and/or shutters; the absence of furnishings and/or personal items consistent with residential habitation; evidence of trespass or criminal mischief; or statements by neighbors, passerby, delivery persons, and/or government employees that the property is ~~vacant~~Vacant.

(3) Lender. Any person who makes, extends, or holds a ~~real estate loan agreement~~Real Estate Loan Agreement and includes, but is not limited to, mortgagees; beneficiaries under trust deeds; vendors under conditional land sales contracts; trustees and a successor in interest to any mortgagee, beneficiary, vendor or trustee. The term also includes any mortgagee, beneficiary or trustee that accepts a deed in lieu of foreclosure.

(4) Notice of ~~default~~Default. A written notice to a ~~borrower~~Borrower stating that a default on a ~~real estate loan agreement~~Real Estate Loan Agreement has occurred and that legal action may be taken.

(5) Out of ~~area~~Area. Outside of Klamath County.

(6) Real Estate Loan Agreement. Any agreement providing for a loan on residential property, secured in whole or in part by real property located within the City of Klamath Falls, or any interest therein, and includes, but is not limited to mortgages, trust deeds and conditional land sales contracts.

(7) Vacant. A subject property that is not legally occupied.

8.180 INSPECTION

(1) Immediately upon default of the ~~borrower~~Borrower, but no later than prior to recording a ~~notice~~Notice of ~~default~~Default with the Klamath County Clerk's Office, a ~~lender~~Lender shall perform an inspection of the property that is the security for the ~~real estate loan agreement~~Real Estate Loan Agreement.

(2) If the property is found to be ~~vacant~~Vacant or shows ~~evidence~~Evidence of ~~vacancy~~Vacancy, the ~~lender~~Lender shall, within ten (10) days of the inspection, register the property with the Chief of Police.

(3) If the property is occupied but remains in default, the property shall be inspected by the ~~lender~~Lender on a monthly basis until the ~~borrower~~Borrower remedies the default. If an inspection reveals that the property is ~~vacant~~Vacant or shows ~~evidence~~Evidence of ~~vacancy~~Vacancy, the ~~lender~~Lender shall, within ten (10) days of the inspection, register the property with the Chief of Police.

(4) Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) also applies to properties that have been the subject of a foreclosure sale where title has transferred from one ~~lender~~Lender to another ~~lender~~Lender; and a property transferred under a deed in lieu of foreclosure.

8.185 REGISTRATION

(1) The registration shall contain the following information:

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(a) The name of the ~~lender~~Lender;

(b) The direct mailing address of the ~~lender~~Lender. Post office boxes are not acceptable;

(c) The direct contact name and phone number for the ~~lender~~Lender;

(d) The physical address for the ~~lender's~~Lender's agent authorized to receive service of process, if applicable; and

(e) The direct contact information for the local property management company responsible for security, maintenance and marketing of the property, if applicable.

(2) No registration fee shall be imposed. A ~~lender~~Lender that has registered a property under Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) shall report any change of information contained in the registration within ten (10) days of the change. Properties subject to Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) shall remain under the registration requirement as long as the property remains ~~vacant~~Vacant.

(3) Registration forms shall be available at the Klamath Falls Police Department and online at the City's website.

8.187 MAINTENANCE REQUIREMENTS

(1) A ~~lender~~Lender shall maintain properties subject to Sections 8.175 to 8.198 (Vacant Residential Property Registration Act). Maintenance includes all of the following:

(a) Ensuring that the condition of the subject property does not, in the opinion of the Chief of Police, constitute a public nuisance;

(b) Regular ~~watering, irrigation,~~ cutting, pruning and mowing of the subject property and the removal of all trimmings, as applicable to the property;

(c) Pools and spas shall be kept in working order, so that water remains clear and free of pollutants and debris; or drained and kept covered. ~~In either case, subject properties with pools or spas shall comply with the City's minimum security fencing requirements.~~

(2) If the property is owned by an ~~out~~Out of ~~area lender~~Area Lender, a local property management company shall be contracted to perform ~~weekly~~monthly inspections to verify the requirements of this section, and to ensure any other applicable laws are being met. The property management company shall post a direct contact name and 24-hour contact phone number for persons to report problems or concerns, and the posting shall be placed on the interior of a window facing the street to the front of the property so it is visible from the street. If no such area exists, then the posting shall be placed on the exterior of the property in a location visible from the street to the front of the property. An exterior posting shall be constructed of and printed with weather resistant materials.

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(3) Adherence to this section does not relieve a person subject to Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) of any obligations set forth in any covenants, conditions and restrictions which may apply to the subject property.

8.190 SECURITY REQUIREMENTS

(1) The ~~lender~~Lender shall maintain a subject property in a secure manner so as not to be accessible to unauthorized persons, and includes the securing of windows, doors, gates and any other opening of such size that may allow a child to access the interior of the property. Broken windows shall be boarded or reglazed.

(2) If the property is owned by an ~~out~~Out of ~~area lender~~Area Lender, a local property management company shall be contracted to perform ~~weekly~~monthly inspections to verify the requirements of this section, and to ensure any other applicable laws are being met. A property management company shall be subject to the same posting requirements as provided for in Section 8.817(2).

8.193 ADDITIONAL AUTHORITY

The Chief of Police shall have the authority to require the ~~lender~~Lender to implement any additional maintenance and/or security measures ~~including, but not limited to:~~to prevent the decline of the property.

~~(1) Installation of additional security lighting;~~

~~(2) Increasing on-site inspection frequency;~~

~~(3) Employment of an on-site security guard; and~~

~~(4) Any other measures as may be reasonable required to prevent the decline of the property.~~

8.195 VIOLATION; PENALTY

(1) A ~~lender~~Lender that violates any portion of Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) shall be a violation and shall be punished by a fine not more than $1000.

(2) Citations for violations may be mailed by first class mail to the ~~lender~~Lender or ~~lender's~~Lender's registered agent.

(3) Enforcement fees may be applied to properties in violation of Sections 8.175 to 8.198 (Vacant Residential Property Registration) pursuant to the criteria defined in Section 8.980 (Enforcement Fees).

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8.198 APPEALS

A ~~lender~~Lender that is required to implement additional maintenance or security measures as provided for in Section 8.190 (Security Requirements) shall have the right to appeal under the procedures set out in Section 1.025 (Uniform Appeal and Hearing Procedure).

Section 2

Sections 8.980(1) of the City Code is amended as follows:

(1) In order to defray the costs of enforcement of Sections 8.000 to 8.298, the Public Safety Officer or his/her designee (the Officer) shall impose fees on those properties and owners of those properties which are found not to be in compliance with the City adopted building codes, the International Property Maintenance Code, Vacant Property Registration Ordinance, or the Geothermal Ordinance (collective referred to as "these Acts").

Section 3

This Ordinance shall become effective 30 days after passage.

Passed by the Council of the City of Klamath Falls this ___ day of April, 2016.

Presented to the Mayor, approved and signed this ___ day of April, 2016.

_____

Mayor

ATTEST:

_____

City Recorder

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ORDINANCE NO. 16-_____

ORDINANCE ADDING SECTIONS 8.175 TO 8.198 OF THE CITY CODE AND AMENDING SECTION 8.980 RELATING TO VACANT PROPERTY REGISTRATION

WHEREAS, the City desires to create additional tools to deal with the wide-spread problem of housing blight; and

WHEREAS, the City often cannot locate responsible parties in vacant properties that have not yet gone through foreclosure; and

WHEREAS, the City wishes to require the lender of such vacant properties to register the contact information of the lender with the City. The City wishes the lender to be responsible to maintain the property for security and to prevent code violations; and, NOW THEREFORE;

THE CITY OF KLAMATH FALLS HEREBY ORDAINS AS FOLLOWS:

Section 1

Sections 8.175 to 8.198 of the City Code are added as follows:

Vacant Residential Property Registration

8.175 TITLE AND PURPOSE
This Act shall be known and may be cited as the Vacant Residential Property Registration Act. The purpose of this Vacant residential property registration program is to protect neighborhoods from becoming blighted through the lack of adequate maintenance and security of Vacant properties.

8.178 DEFINITIONS
The following terms as used in Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) shall mean:
(1) Borrower. Any person who becomes obligated on a Real Estate Loan Agreement, either directly or indirectly, and includes, but is not limited to, mortgagors, vendees under conditional land sales contracts and grantors under trust deeds.
(2) Evidence of Vacancy. Any condition that on its own, or combined with other conditions present, would lead the Chief of Police to believe that the property is Vacant. Such conditions include, but are not limited to, overgrown and/or dead vegetation; accumulation of newspapers, circulars, flyers and/or mail; past due utility notices and/or disconnected utilities; accumulation of trash, junk and/or debris; the absence of window coverings such as curtains, blinds and/or shutters; the absence of furnishings and/or personal items consistent with residential habitation; evidence of trespass or criminal mischief; or statements by neighbors, passerby, delivery persons, and/or government employees that the property is Vacant.
(3) Lender. Any person who makes, extends, or holds a Real Estate Loan Agreement and includes, but is not limited to, mortgagees; beneficiaries under trust deeds; vendors under conditional land sales contracts; trustees and a successor in interest to any mortgagee, beneficiary, vendor or trustee. The term also includes any mortgagee, beneficiary or trustee that accepts a deed in lieu of foreclosure.

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(4) Notice of Default. A written notice to a Borrower stating that a default on a Real Estate Loan Agreement has occurred and that legal action may be taken.
(5) Out of Area. Outside of Klamath County.
(6) Real Estate Loan Agreement. Any agreement providing for a loan on residential property, secured in whole or in part by real property located within the City of Klamath Falls, or any interest therein, and includes, but is not limited to mortgages, trust deeds and conditional land sales contracts.
(7) Vacant. A subject property that is not legally occupied.

8.180 INSPECTION
(1) Immediately upon default of the Borrower, a Lender shall perform an inspection of the property that is the security for the Real Estate Loan Agreement.
(2) If the property is found to be Vacant or shows Evidence of Vacancy, the Lender shall, within ten (10) days of the inspection, register the property with the Chief of Police.
(3) If the property is occupied but remains in default, the property shall be inspected by the Lender on a monthly basis until the Borrower remedies the default.
(4) Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) also applies to properties that have been the subject of a foreclosure sale where title has transferred from one Lender to another Lender; and a property transferred under a deed in lieu of foreclosure.

8.185 REGISTRATION
(1) The registration shall contain the following information:
(a) The name of the Lender;
(b) The direct mailing address of the Lender. Post office boxes are not acceptable;
(c) The direct contact name and phone number for the Lender;
(d) The physical address for the Lender's agent authorized to receive service of process, if applicable; and
(e) The direct contact information for the local property management company responsible for security, maintenance and marketing of the property, if applicable.
(2) No registration fee shall be imposed. A Lender that has registered a property under Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) shall report any change of information contained in the registration within ten (10) days of the change. Properties subject to Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) shall remain under the registration requirement as long as the property remains Vacant.
(3) Registration forms shall be available at the Klamath Falls Police Department and online at the City's website.

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(1) A Lender shall maintain properties subject to Sections 8.175 to 8.198 (Vacant Residential Property Registration Act). Maintenance includes all of the following:
(a) Ensuring that the condition of the subject property does not, in the opinion of the Chief of Police, constitute a public nuisance;
(b) Regular cutting, pruning and mowing of the subject property and the removal of all trimmings, as applicable to the property;
(c) Pools and spas shall be kept in working order, so that water remains clear and free of pollutants and debris; or drained and kept covered.
(2) If the property is owned by an Out of Area Lender, a local property management company shall be contracted to perform monthly inspections to verify the requirements of this section, and to ensure any other applicable laws are being met. The property management company shall

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post a direct contact name and 24-hour contact phone number for persons to report problems or concerns, and the posting shall be placed on the interior of a window facing the street to the front of the property so it is visible from the street. If no such area exists, then the posting shall be placed on the exterior of the property in a location visible from the street to the front of the property. An exterior posting shall be constructed of and printed with weather resistant materials.
(3) Adherence to this section does not relieve a person subject to Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) of any obligations set forth in any covenants, conditions and restrictions which may apply to the subject property.

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(1) The Lender shall maintain a subject property in a secure manner so as not to be accessible to unauthorized persons, and includes the securing of windows, doors, gates and any other opening of such size that may allow a child to access the interior of the property. Broken windows shall be boarded and painted or reglazed.
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8.193 ADDITIONAL AUTHORITY
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8.195 VIOLATION; PENALTY
(1) A Lender that violates any portion of Sections 8.175 to 8.198 (Vacant Residential Property Registration Act) shall be a violation and shall be punished by a fine not more than $1000.
(2) Citations for violations may be mailed by first class mail to the Lender or Lender's registered agent.
(3) Enforcement fees may be applied to properties in violation of Sections 8.175 to 8.198 (Vacant Residential Property Registration) pursuant to the criteria defined in Section 8.980 (Enforcement Fees).

8.198 APPEALS
A Lender that is required to implement additional maintenance or security measures as provided for in Section 8.190 (Security Requirements) shall have the right to appeal under the procedures set out in Section 1.025 (Uniform Appeal and Hearing Procedure).

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Section 2

Sections 8.980(1) of the City Code is amended as follows:

(1) In order to defray the costs of enforcement of Sections 8.000 to 8.298, the Public Safety Officer or his/her designee (the Officer) shall impose fees on those properties and owners of those properties which are found not to be in compliance with the City adopted building codes, the International Property Maintenance Code, Vacant Property Registration Ordinance, or the Geothermal Ordinance (collective referred to as "these Acts").

Section 3

This Ordinance shall become effective 30 days after passage.

Passed by the Council of the City of Klamath Falls this ___ day of April, 2016.

Presented to the Mayor, approved and signed this ___ day of April, 2016.

_____
Mayor

ATTEST:

_____
City Recorder

STATE OF OREGON }
COUNTY OF KLAMATH }ss.
CITY OF KLAMATH FALLS }

I, _____, Recorder for the City of Klamath Falls, Oregon, do hereby verify that the foregoing is a true and correct copy of an Ordinance duly adopted by the Council of the City of Klamath Falls, Oregon at the meeting on the ____ day of April, 2016 and therefore approved and signed by the Mayor and attested by the City Recorder.

_____
City Recorder