

- 6:00 p.m. Work Session - Surplus Property Procedure Discussion
6:30 p.m. Work Session - City Code FTA Warrant Process Discussion

**AGENDA FOR COUNCIL MEETING
KLAMATH FALLS CITY COUNCIL
NOVEMBER 7, 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

DAVE ANDREWS - Support Services/Parks Division – 30 Years

PRESENTATION OF \$50,000 DONATION CHECK FROM ADVANTAGE DENTAL AND DR. THOMAS TUCKER'S FAMILY TO THE PARKS DIVISION FOR THE KIT CARSON TRAIL PROJECT

PUBLIC COMMENT

1. CONSENT AGENDA

- a. Approval of November 7, 2016 agenda and October 17, 2016 regular meeting minutes
- b. Review and Execute a 10 Year Intergovernmental Traffic Signal Maintenance Agreement (No. 31165) with the Oregon Department Of Transportation
- c. Sewer Service Request for Private Residential Service Outside City Limits (Parcel 3 of LP 51-07/R-3909-00700-00606)

LAND USE PUBLIC HEARING - QUASI JUDICIAL

LAND USE PUBLIC HEARING – LEGISLATIVE

GENERAL PUBLIC HEARING

LEGISLATIVE ACTION

2. **FOURTH QUARTER ANALYSIS OF THE FISCAL YEAR 2015-2016 BUDGET
(CONTINUED FROM 10/17/16, WITH ADDED POWERPOINT PRESENTATION)**
 - a. Informational Only; No Action Required

3. **ORDINANCE AMENDING KLAMATH FALLS CODE SECTIONS 7.250 AND 7.255 AND ADDING SECTIONS 7.252 AND 7.253 REGARDING MEDICAL MARIJUANA FACILITIES – SECOND READING**
 - a. Move to Pass the Ordinance by Title for Second and Final Reading
 - b. Move to Adopt Ordinance

4. **ORDINANCE AMENDING KLAMATH FALLS CODE SECTION 5.446 REGARDING MEDICAL AND RECREATIONAL MARIJUANA IN THE PUBLIC VIEW AND DECLARING A LEGISLATIVE EMERGENCY– SECOND READING**
 - a. Move to Pass the Ordinance by Title for Second and Final Reading
 - b. Move to Adopt Ordinance

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

MINUTES
KLAMATH FALLS CITY COUNCIL
October 17, 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 Dan Tofell
 Councilman Matt Dodson
 Councilman Bud Hart
 Councilman Bill Adams
 Councilwoman Trish Seiler

City staff members present: Nathan Cherpeski, City Manager
 Joanna Lyons-Antley, City Attorney
 Mark Willrett, Public Works Director
 Linda Tepper, Airport Business
 Manager
 Rob Dentinger, Captain KFPD
 Scott Souders, City Engineer
 Joe Wall, Management Assistant to the
 City Manager
 Geoff LeGault, Senior Accountant
 Kristina Buckley, Public Information
 Admin. Asst.
 Lori Garrard, Legal Secretary/
 Admin. Asst.
 Nickole Barrington, City Recorder

CALL TO ORDER AND ROLL CALL

All Council Members were present.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

SERVICE AWARDS PRESENTATION. Mayor Kellstrom acknowledged Shawn Hardt for 20 years of service in the Public Works/Wastewater Division; and presented a service award to Kristina Buckley for 10 years of service with the Administration Department.

PUBLIC COMMENT

Public comment was opened by Mayor Kellstrom.

Dennis Wood, Klamath Falls, OR. Mr. Wood stated he wanted to speak to Council about his rights as a person and as a member of the community. He explained he was forced into retirement, and was a disabled veteran. He noted he felt he should not have to speak about the matter especially when it was a matter of life and death for him, as he had already had 3 brain aneurism surgeries. He asked why we were even having to talk about the subject. Mr. Wood said he had been in the community for 23 years and had raised lots of money for the community and never asked for anything in return. He told the Council he needed this medicine, and he wished that someone could just be real about bringing something good to the community. He further stated why not just have some control over it, and accept the taxes. Mr. Wood said it was sad to have to be discussing the issue, as the community should have just worked together on it. He thanked the Council for their time.

Patty Horton, 314 S. 7th Street, Klamath Falls, OR 97601. Ms. Horton stated it was a very personal matter for her, as she had an Uncle who suffered from tremors on a constant basis and he had for years. Ms. Horton saw a video and sent it to her Aunt to share with her Uncle and discuss with his doctor. His doctor said he had two options and he suggested the medical marijuana one, as the other was to drill a hole in his cranium and also go through his stomach to find the affected nerves. She stated her Uncle had a need for the medical products because of his severe tremors. She further noted that as many members of Council know she ran for County Commissioner and she has always supported medical marijuana as she has other members of her family who are medical marijuana patients. After receiving this information from his doctor, Ms. Horton said she got him the THC and CBD oils and sent them to her Uncle. He administered the oils one time, and took a nap and when he awoke his hands were finally steady. He can't drive or feed himself, but for the first time after using the oils, it was a success. This is a compassion matter for her, and she stated it should be considered and allowed. There are hemp oils, Charlotte's Web, and others that have shown they can be used as a healing medicine. Ms. Horton further addressed those who may be Christians in the

audience, as God said to use every seed that was on the land that we can, and that seed was there way before Big Pharma and Big Pharma had done all that they could for her Uncle, and the only thing that worked was the healing oils.

Brandon Neff, Klamath Falls, OR. Mr. Neff stated he was a Medical Marijuana patient and grower, and he opposed the proposed ordinance as it was discriminatory and far from fair. Mr. Neff read from his written statement (attached as Exhibit A). Mr. Neff stated he visited each potential site and they are not sufficient, as more than 75% are on undeveloped land. He said he had personally processed the oils that had help hundreds of cancer patients in Klamath Falls and throughout the state; all from his own kitchen which was zoned a residential area. Mr. Neff stated he had done this for some time and all without any problems. He further stated passing this ordinance would be a step backwards. He asked why the City of Klamath Falls had not accepted marijuana processing and distribution, as the rest of the state had. Mr. Neff said he had been processing for over 4 years within regulations and he was more than willing to comply, but now the Council was making it harder than it had ever been. The processing sites are required to do more than Council understood, as everyone who comes and goes has to be documented. The processing site is set up to just process for selling to the distribution site, and it is more regulated than most businesses as every piece of product was documented more than once. He said the state did their job with the regulations and they inspect every processing site prior to the processing site opening. The proposed ordinance was over regulating and the only regulation that was reasonable and needed was the school regulation of being over 100 feet away from where children frequented. He said he had attended every marijuana regulation Council meeting and he had hoped that Council would come up with some reasonable regulations, yet nothing had availed yet. Mr. Neff asked Council to scrap another poorly written ordinance, so that he could once again start processing for his sick patients. Mr. Neff said the proposed ordinance's zoned map for processing was very restrictive and too limited, while the distribution sites could be located county-wide.

Jesse Haskins, Klamath Falls, OR. Mr. Haskins said he was retired Law Enforcement after 43 years. He further said 20 years of that time was spent working in narcotics enforcement. Mr. Haskins said with the last 10 years of his job he spent working with the DEA out of Eugene, and the majority of his cases were spent working on large marijuana grows or meth labs, and all he had been told was it was illegal. He further noted within the last 10 years of his life he had gotten hit with a medical condition that caused him to have a need for pain medication. Mr. Haskins said when the pain medications no longer worked the

doctors prescribed a pain patch. He said he soon found himself at home and acting like the people he used to deal with and it began to ruin his life and marriage, but his family stepped in to help him. Mr. Haskins stated he had tried everything and two of his family members suggested he try medical marijuana, and while the first conversation ended in an argument, he conceded because he had tried everything else and he was racked with pain and bedridden. He further said he tried it once, and asked that no one ever knew, especially his fellow law enforcement friends or pastor. Mr. Haskins said that within minutes of administering he was able to walk, and without pain. He stated the CBD product is specially formulated and you don't have to get high from the product, as it specifically administered to the pain. Mr. Haskins stated he had to leave Klamath Falls today to go to Ashland to try to get the medical product because the stock has run dry and everyone is in a real panic. He said it did send fear into his heart to know that he finally found a product that his wife, pastor and doctor supported, and that it may become unavailable. Mr. Haskins thanked the Council for their time and consideration.

Phyllis Reed Morris, 118 Iowa Street, Klamath Falls, OR 97601. Ms. Morris spoke under Public Comment because of the Code Enforcement letter she recently received. She noted she felt the reason this was being brought to anyone's attention was because of where she was developing her property. The accumulation of junk was from the metals for constructing gazebos, as it had to be stored within an enclosed structure. She stated she had a carport that was not enclosed, and it was very nice. Ms. Morris said she lived on a dead end street and she drove there from Lowell Street, and the City and County never take care of the guardrails or the weeds up there, and that is what brought the attention to her property. She further stated the Code Officer said that she could not park her cars where they were as they were parked on an unmanageable area, and she said she did not have ropes or straps across her stuff. Ms. Morris said she did have canopy material, and she put raised beds on her property because the land was not level. Ms. Morris requested that the other Code Officer come to her residence and give another evaluation. She further explained she did have snow tires stacked on the back side of her house, and no one can see the tires or benches because it was private property and no one goes back there. She further explained under her carport she had a table that she used to work on and she had a freezer plugged into her house, yet everybody in the neighborhood had stuff on their property like that. Ms. Morris stated she was an exotic woman with different types of stuff on her property like windmills, fountains, candy canes, etc. yet she would like to protest this failure to maintain the property to code. She further noted if a grandma has her favorite rocking chair outside on the porch, why does it have to say lawn furniture on it. Ms. Morris said the reason she had a dryer by her front door was because she had just taken it out

of her truck and placed it there because she was getting her renters evicted, as they were not very nice people and they always called the cops on her every time she goes to the home to work on it. Ms. Morris asked for help and invited all of Council to go view her property, and see if they would not do what she was currently doing to develop it.

Ms. Lyons-Antley informed Council that at that time it was just a notice of violation and that no citation had been issued. If one was, pictures of the property would be taken at that time.

Mayor Kellstrom asked if Mr. Wall had given time to correct the issues.

Ms. Morris said she had 30 days, until the 20th to address the issues and she was trying to do it now.

Mayor Kellstrom said that would be prudent to do, in order to stop further actions.

Ms. Morris said she was trying to clean up the property, and sometimes it takes making a mess to cleanup one, as she had been rototilling a 20x20 section and putting in railroad ties. She also noted she was using green energy, and was going to recycle the rest.

Mayor Kellstrom asked for a good faith effort to make it meet the requirements, and in order to avoid further actions.

Ms. Morris stated her main objection was in not being allowed to have a storage area for the snow tires, yet she would try to have stuff moved in the next week, when she could. She also mentioned her TV on the front carport, as she watched it and listened to it when she was outside.

Mayor Kellstrom informed Ms. Morris that most of Code Enforcement's cases are complaint driven, and it would be appreciated if she would work on the issues identified to avoid further actions.

Felice Koblos, 1501 Hope Street, Klamath Falls, OR 97603. Ms. Koblos stated her reason for speaking was related to the City's water bills, as she pays several water bills. Her question was as to why the service meter read date was August 3rd, yet she was not billed until August 29th which is closer to the next bill cycle and why was the bill not generated prior to that. Ms. Koblos stated she received a water bill that showed double the usage, so she called the tenants and there had been a

problem, but it got fixed. Ms. Koblos said because there was such a gap in the billing time it was hard to recognize timely, but then even though it was found and fixed there was still another double bill. She further noted that once she identified the problem and went to the City Utility Billing Department, the staff said that was how it was done and if she had further questions as to why it was done that way she could go to a City Council meeting and speak to City Council. Ms. Koblos said so that is why I am here, why is there such a delay from read date to bill date. She stated that Avista and Pacific Power don't have those delay times, so unless Council could give her a good reason as to why that happens, she just found it useless to get a bill that late.

Mr. Cherpeski stated he was sorry that was the response that she received from the department, as that irritated him because it did not matter if that was how it had always been done. He further explained we do currently read the meter once a month and so when you have a leak and get it fixed you are usually picking it up on that second bill. Mr. Cherpeski said the City was about to deploy some new technology that would allow for quicker reads and better leak detections. He said Avista and Pacific Power already had that type of technology. Mr. Cherpeski said Council had previously approved that last purchase of the meters needed to be installed and the last step would be to construct the tower. He said unfortunately that was all the information he had right now, and he was unaware that there was a month between the read and bill dates. Mr. Cherpeski requested Ms. Koblos' contact information and said he would research it further and report back to her.

Ms. Koblos said she would appreciate that, and said she did not think he would be happy knowing the response that she had been given by departmental staff.

Councilman Tofell stated he had received a call from a constituent that received a huge bill after a leak, and he said it seemed very late to him as it was over 30 days old. Councilman Tofell said he believed that Ms. Koblos was not the only person who was upset by the billing issues.

Kristina Buckley, City Employee. Ms. Buckley stated she would like to take advantage of some of the media that was present, and wanted to mention some of the City's Grant opportunities, as the City had received calls, but no applications. She said the City had a Facade Improvement Grant that was available to the downtown businesses in the overlay zone; and there was also a Building Improvement Grant in addition to the Security Camera Grant. Both Grants close on the 31st of the month, and she referred interested parties to review the guidelines and FAQs at the City's website (klamathfalls.city). Ms. Buckley further said the

City was willing to help with improvements downtown, and was happy to provide these grant opportunities for the downtown businesses, so to possibly help get the foot traffic going again. She stated anyone who was interested in the grants could also contact her if they had additional questions.

Katrina Buzcourt. Ms. Buzcourt stated she had heard from many patients as to why they opposed the proposed ordinance regarding where the medical processing facilities should be located, but there were also economic impacts as well. She noted we are all aware there seems to be a lack of economic opportunities in our community for those that want them. Ms. Buzcourt said that in other parts of the state these facilities have opened up these types of economic opportunities. She said many other communities have not stood in the way of people who have wanted to increase the financial impacts. Ms. Buzcourt said with increased jobs there would be increased tax revenue and she didn't understand why the City would want to turn their backs on that. She said the City is not getting it now because they opted out based on the over regulations of this. Ms. Buzcourt said that Eugene, Portland, and Salem are all having unprecedented increases because of the recreational and medical industries. She said the community is currently losing out on the distribution sites, both by the taxes from the businesses in the local community and the employees that could be employed by the businesses. Ms. Buzcourt said if the community does not have enough economic opportunity, then the City should be looking at ways on how to make this an opportunity. She further stated that with the regulations of the OLCC and the steps that are being made to make this as legitimate a business as it can be, there is no reason to not be allowing it in our community.

Public comment was closed by the Mayor, after hearing and seeing no one else who wished to speak.

1. CONSENT AGENDA.

Councilman Tofell Moved to Approve Items 1a. and 1c. on the Consent Agenda as follows: Approval of October 17, 2016 Agenda and October 3, 2016 Regular Meeting Minutes; and the Submission of Klamath County Tourism Traditional Grant Application by the Airport – Information Only. Councilwoman Seiler seconded. The motion carried unanimously with all Council members present voting aye.

Consent Agenda Item 1b. was pulled, per Councilman Adams request. In regards to Item 1b. Mr. LeGault asked if Council had any specific questions, and Councilman Adams said he had a couple, but nothing specific. Councilman Adams asked for Mr. LeGault to present the item, and hit on the high points. Mr. LeGault

said the actual numbers would be out at the end of December 2016, and what was in front of Council was a break out of what was over or under 10% of the total spending, and that was basically what the breakout was comprised of. Council discussion was further held, but because the information was not available to the other members of the audience, and a more detailed explanation was requested, Mr. Cherpeski stated the item should be continued to 1st meeting in November (11-7-16), and this item would not be placed under consent in the future. Councilman Tofell stated he would only like to see if there are items of major concern in any specific area of the Budget. Mr. LeGault said no, there was nothing major. Councilman Hart said he thought the public and others may only want to see something that summarized the highlights of the Budget, not necessarily the bookkeeper's details with specific percentages.

Councilman Hart **moved to continue Item 1b. to the next regularly scheduled Council meeting on November 7th, 2016.** Councilman Adams 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

There were no general public hearing matters.

LEGISLATIVE ACTION

2. ORDINANCE AMENDING KLAMATH FALLS CODE SECTIONS 7.250 AND 7.255 AND ADDING SECTIONS 7.252 AND 7.253 REGARDING MEDICAL MARIJUANA FACILITIES – FIRST READING

Ms. Lyons-Antley stated in June of 2016 staff brought to Council an amendment of the City Code, which was to help simplify an issue that was made more difficult by the Oregon Legislature. She said that back in 2014 the Council had passed regulations affecting medical marijuana, and in those the City referenced state law. Ms. Lyons-Antley said that then the state repealed some of those references. She further explained that state law allowed Cities and Counties to reasonably regulate a host of items, and some of those items were: processing sites, dispensaries,

location, and manner. At the June 2016 meeting, public comment was received stating that the laws were changing. Ms. Lyons-Antley stated she further researched and reviewed again some of the regulations, even though the legislature was not in session at that time. She explained the regulations did not change the law, they help interpret and implement the laws passed by the Legislature. She said the Oregon Administrative Rule did not change the law, but actually stated the basis for denial of a processing application, as in the applicant violated a City rule or ordinance that had been adopted to regulate the process. Ms. Lyons-Antley stated Council as a governing body had been given quite a bit of latitude to set some of the regulation structure. She said at the June 2016 meeting staff and Council discussed the issues a lot and Council requested staff to review and come back with additional information which had been done now, along with conducting discussions in some Council work sessions. Ms. Lyons-Antley noted staff had a product from all of those discussions, even including the discussions that had been conducted with those that are for and those that are opposed to the issue, and that product was the proposed ordinance.

Ms. Lyons-Antley reviewed the strike-thru code version and summarized the changes for Council. She stated staff specifically defined the term medical marijuana facilities to include: medical marijuana processors and medical marijuana dispensaries; deleted all references to state law because it seemed to change frequently, and it was determined best to exercise some home rule authority; amended the location restrictions to include not within 1,000 feet of colleges or universities, which was consistent with Federal Law. The last change made was to add regulations for medical marijuana processing which included: no storage or processing where it could be seen from a public place; installation of security systems; and to limit access to employees or regulatory agencies.

Ms. Lyons-Antley further noted that state law required that all regulations be in compliance with City's Community Development Ordinances, and land-use regulations. She said the land-use regulations specifically stated that processing or manufacturing of goods and services was to be done in industrial or light-industrial areas and they are not allowed uses in commercial areas. Ms. Lyons-Antley specifically wanted that noted for the record. She referred to the maps included in the agenda packets and posted on-line, and further stated those maps were designed to meet all the criteria and showed the allowable areas highlighted in yellow. Ms. Lyons-Antley said that anyone that she had spoken to or that had provided their name, address, or email was provided a copy of the proposed ordinance and they were given the opportunity to provide comment. Ms. Lyons-Antley stated the City only received one comment and it was include in the agenda packet, and she was able to address one of the concerns brought forth in regards to the phrase

“attractive to minors.” Ms. Lyons-Antley said this issue was addressed because it made reference to state law, so all that was done to that section of the ordinance was remove the reference to state law, and everything else was unchanged.

Councilman Hart inquired if the reference to schools included Sunday Schools. Ms. Lyons-Antley replied she did not believe so, unless it was a licensed childcare facility as defined by state law then yes it was included on the proposed map.

Councilman Tofell inquired for clarification that the City was not instituting additional prohibiting factors, but rather just clarifying the areas where processing or manufacturing, according to the CDO, would be allowed as in industrial or light industrial zones. Ms. Lyons-Antley stated that was correct.

Mayor Kellstrom opened a Public Hearing for Agenda Item #2.

Ed Medina, Jr., Medicinal Way Alternatives, Klamath Falls, OR. Mr. Medina spoke in opposition of the proposed ordinance. He stated he was present to discuss the map, as it did not include all of the light industrial areas. He said with the areas that were allowed, about 80-90% are bare land with no utilities to the property, and so a person would have to build their own facility. He further stated the properties that had a building on them were mostly leased facilities with 10+ year old existing business, and were unlikely to be leaving anytime soon. There are no available properties on this map where a person could go set up a facility today. Mr. Medina asked how that was considered reasonable. He further stated that if the ordinance was to include the specific zones, why then did it not include all properties located in the light and industrial zones. Mr. Medina said he wanted to clarify statements made as to why his company could not go purchase products from other areas or counties that produced the products. He noted that medical and recreational is handled completely separate, and as over 90% of the state allowed the production and distribution of recreational products, and as they are regulated by the Oregon Liquor Control Commission (OLCC), his business is then not allowed to buy from those retailers. He further stated if local community members were not allowed to process then he will not have the products to sell to the patients who need them. Mr. Medina said if he had no products he would be forced to close his business, and eliminate jobs. He said there were many, many very ill patients in the community that relied on the products, as they consisted of cancer patients, chronically ill, and people with a variety of medical situations, as previously stated by Ms. Horton and Mr. Haskins. Mr. Medina said his business is the only one that can provide reliable and safe access to the products the patients needed. Mr. Medina noted that if his business closed a lot of the patients would have to drive to

Medford or Bend or some other area to get the products. He inquired why as a community did we single them out and were discriminating against them, as they are a part of the community as well. He further mentioned that when the downtown Safeway closed and the Pharmacy was closed, it created a huge undue hardship for the people living in the downtown area. Mr. Medina stated in closing that by passing the ordinance as proposed it would be creating a greater hardship on the medical marijuana patients, and that was unfair.

Councilman Adams inquired why if the patients could go somewhere else to buy the products, then why couldn't he get his products from those same distributors.

Mr. Medina stated as an OLCC regulated distributor they are licensed to sell both medical and recreational products and his business was not. He stated it was a complicated system. He further explained that once a business is OLCC licensed they can have and sell both medical and recreational and they can sell their products to the recreation stores, but not to the medical dispensaries. Mr. Medina stated it was just one of many ways they are trying to eliminate the medical program. He said if a patient had a medical card they can go to one of the recreational stores and buy their product untaxed, but in a county like ours where recreational sales are not allowed and only medical is, then his business could only buy from a licensed processor from the Oregon Health Authority (OHA). Mr. Medina said in a year from now his business will not have products, unless he has access to a licensed processor from the OHA in this County.

Councilman Adams stated initially the majority of people in the past who wanted marijuana for recreational use went and got medical cards, and now they don't have to. Mr. Adams said the medical marijuana products should be handled through a pharmacy so to guarantee purity and content, and the recreational aspect should be handled through the OLCC and recreational stores.

Mayor Kellstrom inquired for clarity on Mr. Medina's statement as to the areas shown on the map aren't readily accessible for a medical processor to start a business. Mr. Medina said yes, for the most part that was correct. Mayor Kellstrom respectfully disagreed. Further discussion was held.

Mayor Kellstrom stated the map included the necessary overlays based on the required restrictions and it did reduce the number of areas, but there were still several areas that were available.

Mr. Medina said the areas that are readily accessible have long-term businesses on them, and they are not going anywhere. Further discussion was held. Mayor

Kellstrom stated there was a methodology involved with producing the proposed map, yet if there were errors in doing that it would be corrected by staff.

Councilman Hart asked why the people or companies that Mr. Medina was currently getting some of his medical marijuana supplies from would no longer be able to provide them. Mr. Medina said because they would be licensed for recreational use with the OLCC. Councilman Hart asked who he could get his product from. Mr. Medina stated he would only be able to get his product from an OHA licensed processor, but not from anyone who is licensed with the OLCC. He further stated approximately 99% of the state will be licensed under the OLCC. Mr. Medina stated that as of October 1st and due to changes in laws the whole system was bottle-necked and no one had products.

Councilman Hart said that Mr. Medina said that no one would be able to locate a processing facility in the City of Klamath Falls, and that was not true as land in specified areas was available, but not necessarily readily accessible with an available building on it.

Mayor Kellstrom closed the Public Hearing for Agenda Item #2, after hearing and seeing no one else who wished to speak.

Councilman Dodson stated he now understood some of the statements made that said the Council was eliminating medical marijuana. He further noted the requirement to not be within 1,000 feet from the school made sense, and processing should be in an industrial area. Councilman Dodson inquired about the possibility of opening up more land.

Mr. Cherpeski stated the ability to add more land or open up additional light industrial land would be a complex and lengthy process through the state. Other cities have experienced the process to take around 10 years. He further said that component was currently being looked at from an economic impact standpoint. Mr. Cherpeski noted the biggest area of light industrial downtown was located near the railroad tracks, but that was also where Eagle Ridge High School was located. He said the map was comprised with overlay areas that met the specific criteria, but that the one before Council did not include the 1,000 feet from other dispensaries. Mr. Cherpeski conferred with Ms. Lyons-Antley and confirmed that all criteria except the 1,000 feet from another dispensary was included on the proposed map.

Councilman Dodson asked if the only option to accommodate the requests was to change the CDO, and allow processing in other areas.

Mr. Cherpeski responded yes, and essentially the City would have to create more light industrial areas. He further noted staff had been working on updated the CDO for several years, but the uses had not changed. Councilman Dodson stated in

listening to all the information provided, it did not seem to him that there many options at all, and nothing that could be done right away.

Councilman Tofell stated nothing in the proposed ordinance prohibit anyone from going out into the approved area and constructing a small building and going to work on starting their business. He said it would cost money, but the option was still there.

Councilman Hart **moved to introduce the Ordinance for first reading by title.** Councilman Adams seconded. The motion carried unanimously with all Council members present voting aye. City Manager Nathan Cherpeski read the Ordinance by title.

Councilman Hart informed the public if they wanted to bring forth additional information they still could, as at this meeting the ordinance was approved only for first reading, and the second and final reading would take place at the next Council Meeting on November 7. He further commented that at the meeting that night was the first time he had heard of no one being able to process, and that no one would be able to purchase locally to distribute for medical marijuana purposes.

3. ORDINANCE AMENDING KLAMATH FALLS CODE SECTION 5.446 REGARDING MEDICAL AND RECREATIONAL MARIJUANA IN THE PUBLIC VIEW AND DECLARING A LEGISLATIVE EMERGENCY– FIRST READING

Ms. Lyons-Antley stated the purpose of the proposed ordinance was to clarify the City Code in regards to Homegrown Marijuana that was located in the public's view. It is within Council's authority to exercise home rule authority, and the proposed ordinance would expand on excluding all uses whether the marijuana was for recreational, medical, or for any use from being displayed in the public's view.

Councilman Hart noted there were several personal medical marijuana grows located in his ward district, and all to his knowledge were enclosed and out of the public's view.

Mayor Kellstrom opened a Public Hearing for Agenda Item #3, after hearing and seeing no one who wished to speak he closed the hearing.

Councilman Hart **moved to introduce the Ordinance for first reading by title.** Councilman Adams seconded. The motion carried unanimously with all Council members present voting aye. City Manager Nathan Cherpeski read the Ordinance by title.

OTHER MATTERS

Councilman Dodson mentioned having the honor of being on the first PenAir Flight from Klamath Falls to Portland, and also noted the abundant amount of state recognition that had been given to Airport Director John Barsalou and Airport Business Manager Linda Tepper for all their tremendous hard work. Councilman Dodson also noted he was made aware of that the Port of Portland was most excited about the new routes by PenAir from Klamath Falls to Portland because of keeping the routes within the state of Oregon.

Mayor Kellstrom also mentioned his travels, and in going to the East Coast he noted that the Washington Post had a full page ad on Crater Lake National Park, and the Lava Beds National Monument was featured on a TV Program. Mayor Kellstrom said this was very good news, and advertisement for our local region.

ADJOURNMENT

Councilman Tofell moved to adjourn the meeting. Councilman Dodson seconded. The motion carried unanimously with all Council members present voting aye. The meeting adjourned at 8:15 p.m.

Nickole Barrington, City Recorder

Good Evening Council And Staff

My Name Is Brandon Neff and im a medical marijuana patient and grower. Im here tonight to oppose the proposed ordinance. I feel the proposed ordinance is once again discriminating against medical marijuana advocates. The reason is I have personally visited each individual proposed sites and more than 75 percent are undeveloped land and the rest have current tenants and this is far from the reasonable regulation that Oregon state law requires

Shouldn't we utilize all the empty buildings all over town? It is unfortunate that we would over regulate something that has not been a problem and has helped a great deal of people. I have personally processed Medical Marijuana into cannabis oil which has help hundreds of cancer patients and medical marijuana patients in severe pain in the Klamath area and throughout the state from my kitchen which is zoned in a residential area with once again no problems, But not now. Processing and manufacturing has been allowed in commercial zones for a long time but they are not included in this ordinance.

Passing this ordinance would be taking another step backwards for the progression of Klamath Falls. The entire state has accepted medical marijuana why have we done this in our city? I have been processing for over 4 years with little regulation and we now have regulations tons of them and im willing to comply but council is making it harder than its ever been.

The Processing site is required to do more than council understands. Any person coming and going is required to be documented. No one can come and buy product. It is just for producing product that we would have to go sell to dispensaries. There would be no recreational sales at all under state law. Every bit of product coming and going will have to be documented multiple times. The state did there job and the system is very well regulated. A processing site cannot open until it has been inspected by the state and this is more regulated than most businesses.

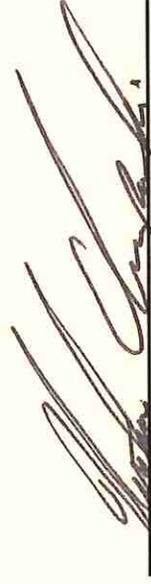
The proposed zoning for processing is over regulated and very unreasonable. The only regulation that needed to be added was 1000 feet from any school or place minors visit frequently, all the rest is unreasonable. I have been at every marijuana processing meeting and hoped the council would work with us about these regulations. Yet, me and others like me have patiently sat wanting to help to no avail. I ask that council scrap yet again another poorly written ordinance. I personally feel this once again could have been researched and written properly. Lets finish this so I can once again start processing for sick and ill patients.



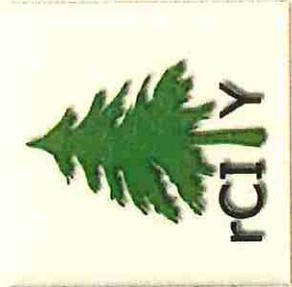
Certificate of Service

Awarded to:
John Dave Andrews
Support Services/Parks Division

For completion of:
30 Years of Service
on
November 1, 2016



Nathan Cherpeski, City Manager



**KLAMATH FALLS CITY COUNCIL
AGENDA REPORT**



Agenda Item No. 1b

Date: November 7, 2016

Department: Public Works/Maintenance	Contact/Title: Kelly Brennan/Maintenance Manager
Staff Presenter: Kelly Brennan	Telephone No.: (541) 883-5397
City Manager Review: 	Email: kbrennan@klamathfalls.city

TOPIC: Re-execute a 10 Year Intergovernmental Traffic Signal Maintenance Agreement No. 31165 with the Oregon Department of Transportation (ODOT)

SUMMARY AND BACKGROUND:

The attached Agreement is in a different form than what came before Council on June 20, 2016. After the City signed the ODOT provided agreement, ODOT requested a change to the Agreement adding language stating that costs in excess of the estimate shall be apportioned to the State or City based on the jurisdiction of the signals where the work was performed.

As stated in our previous staff reports, the Traffic Signal Agreement between the City of Klamath Falls and ODOT was voided in 2007 due to new jurisdictional ownerships of parts of the local traffic signal systems. ODOT has been working on a new agreement since that date, but the two entities have continued to operate under the same terms and conditions of the prior Agreement. The new agreement would continue operations as they have previously been between the City and ODOT.

The new Agreement will be for a period of (10) years with the understanding that both agencies have budgeted funds of not less than \$7,500 per year for requested maintenance services such as trouble calls, routine inspections, and support. With this Agreement in place, the City will be able to utilize traffic timing software procured under ODOT contracts, work with ODOT personnel for timing issues, and procure conflict monitor testing on a yearly basis. It also enables the City to receive State funded dollars for safety upgrades such as: new traffic controllers; hardware, such as reflectorized back plates; and countdown timers. If Council authorizes approval of this Agreement, ODOT will begin upgrading our controllers on Washburn way shortly thereafter.

FINANCIAL IMPACT:

- Funds have been allocated for the terms of this Agreement in the Street Division's Material and Services, and Signal and Sign Maintenance and Repairs budgeted line items.

1b

COUNCIL OPTIONS:

- 1) Approve Entering Into Traffic Signal Maintenance Agreement No. 31165 with the Oregon Department of Transportation.
- 2) Deny Entering Into Traffic Signal Maintenance Agreement No. 31165 with Oregon Department of Transportation.
- 3) Direct Staff to Renegotiate Contract.

DOCUMENTS ATTACHED:

- ODOT Traffic Signal Agreement No. 31165

RECOMMENDED MOTION/ACTION:

- Staff Recommends Option 1, Council Approve Entering Into Traffic Signal Maintenance Agreement No. 31165 with the Oregon Department of Transportation.

NOTICE SENT TO:

- Oregon Department of Transportation

TRAFFIC SIGNAL MAINTENANCE AGREEMENT
City of Klamath Falls

THIS AGREEMENT is made and entered into by and between the STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "State;" and the CITY OF KLAMATH FALLS, acting by and through its elected officials, hereinafter referred to as "City," both herein referred to individually or collectively as "Party" or "Parties".

RECITALS

1. The Streets identified in Exhibit A are under the jurisdiction and control of the City. The roads identified on Exhibit B are part of the state highway system and under the jurisdiction and control of the Oregon Transportation Commission (OTC).
2. By the authority granted in Oregon Revised Statute (ORS) 190.110, 366.572 and 366.576, State may enter into cooperative agreements with counties, cities and units of local governments for the performance of work on certain types of improvement projects with the allocation of costs on terms and conditions mutually agreeable to the contracting parties.
3. By the authority granted in ORS 810.210, State is authorized to determine the character or type of traffic control devices to be used, and to place or erect them upon state highways at places where State deems necessary for the safe and expeditious control of traffic. No traffic control devices shall be erected, maintained, or operated upon any state highway by any authority other than State, except with its written approval. Traffic signal work on this Project will conform to the current State standards and specifications.
4. State and City have determined that it is both to their mutual benefit and to the general public's benefit if they jointly utilize State and City maintenance resources.
5. This Agreement will allow the city of Klamath Falls to utilize traffic timing software procured under ODOT contract for the signals listed in Exhibit A.

NOW THEREFORE, the premises being in general as stated in the foregoing Recitals, it is agreed by and between the Parties hereto as follows:

TERMS OF AGREEMENT

1. This agreement supersedes all signal maintenance agreements previously entered into, if any there be, for the signals listed in Exhibits A and B. Said agreements shall terminate upon execution of this new agreement. Power costs for traffic signals not identified in Exhibits A and B of this Agreement shall survive the termination of any preceding Agreements.

State/City
Agreement No. 31165

2. Parties agree to enter into this Agreement for the purpose of the maintenance and annual inspections of City and State owned traffic signals, hereinafter referred to as "Project". The approximate locations and the ownership or maintenance of the signals associated with the Project are approximate, as shown on the lists attached hereto, marked Exhibits A and B, and by this reference made a part hereof.
3. Parties agree that State shall provide maintenance and annual inspections as requested by City for the traffic signals listed on Exhibit A. Costs for the maintenance of these signals shall be the responsibility of the City.
4. Parties agree that State shall perform timing, maintenance and annual inspections for the traffic signals listed in Exhibit B. Cost for the timing and maintenance of these signals shall be their responsibility of the State.
5. Parties agree that City may provide timing and maintenance as requested by State for the traffic signals listed in Exhibit B. Costs for the maintenance of these signals shall be the responsibility of the State.
6. The Parties hereto mutually agree to the maintenance response terms and conditions set forth in Exhibit C, attached hereto and by this reference made a part hereof
7. The project will be financed at an estimated total cost of \$150,000 in City and State funds. The estimate of the total Project cost is subject to change. Costs in excess of the estimate shall be apportioned to the State or City based on the jurisdiction of the signals where the work is performed.
8. This Agreement shall become effective on the date all required signatures are obtained and shall remain in effect for the purpose of ongoing requested maintenance for the facilities listed in Exhibits A and B for a period of time not to exceed ten (10) years, unless extended by a fully executed amendment prior to termination of this Agreement. The City's responsibility to pay for power, for the facilities as specifically identified in Exhibit A, shall be ongoing throughout the term of this agreement.
9. Parties agree to meet every (5) years or as-needed for the duration of this Agreement to review the Project for re-negotiation and cost adjustments, as additional traffic signals are added to the local system, or if available funding is exhausted prior to termination date of this Agreement. Any changes to the terms or costs shall be added via a fully executed amendment to this Agreement.

CITY OBLIGATIONS

1. City shall be responsible for 100 percent of all power costs for the signals listed in Exhibit A.
2. City shall, upon receipt of an invoice from State, reimburse State for 100 percent of all costs attributable to requested maintenance and annual inspections performed on

State/City
Agreement No. 31165

traffic signals identified in Exhibit A within 45 days of receipt of invoice. Materials shall be replaced by the benefited party with identical replacement parts within 30 days of a parts replacement request from the party performing the maintenance. City's obligation shall not exceed a total of \$75,000 for the duration of this agreement unless revised via a fully executed amendment to this agreement. Typical yearly maintenance charges are expected to be approximately \$15,000.

3. City shall invoice State on a monthly basis for 100 percent of the costs associated with all requested maintenance performed on the traffic signals identified in Exhibit B and performed by City. All invoices shall be sent to the attention of the ODOT contact identified in this Agreement.
4. City shall be responsible for all utility locating information for signals listed in Exhibit A as requested by any third party and shall not hold State liable for failure to locate said facilities. All such utility location responsibilities shall be as per the Utility Notification Laws of the State of Oregon, ORS 757.551.
5. City hereby grants State the right to enter into and occupy City right of way for the performance of requested maintenance and annual inspections of the traffic signal equipment identified in Exhibit A, including vehicle detector loops.
6. City shall, at State's expense, perform all requested maintenance of the traffic signals listed in Exhibit B including, but not limited to:
 - a. Vehicle detector systems
 - b. Signal heads and lamps
 - c. Pedestrian heads and lamps
 - d. Signal control equipment.
7. City shall respond to State signal maintenance issues based on the priority of the signal. These categories are assigned to each signal and recorded in Exhibits A and B.
8. City may not modify signal timing without prior written approval of the State Region Traffic Engineer.
9. All employers, including City, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under ORS 656.126. Employers Liability insurance with coverage limits of not less than \$500,000 must be included. City shall ensure that each of its contractors complies with these requirements.
10. City certifies, at the time this Agreement is executed, that sufficient funds are available and authorized for expenditure to finance costs of this Agreement within City's current appropriations or limitation of the current annual budget.

11. City's Project Manager for this Project is Kelly Brennan, Maintenance Manager, 1190 S Spring St., Klamath Falls, OR 97601 or assigned designee upon individual's absence. City may replace the person acting as project manager upon written notice to State.

STATE OBLIGATIONS

1. State shall be responsible for 100 percent of all costs towards power, timing, maintenance and annual inspections for the signals listed in Exhibit B
2. State shall, upon receipt of an invoice from City, reimburse City for 100 percent of all costs attributable to requested maintenance performed on traffic signals identified in Exhibit B within 45 days of receipt of invoice. Materials shall be replaced by the benefited party with identical replacement parts within 30 days of a parts replacement request from the party performing the maintenance. States' obligation shall not exceed a total of \$75,000 for the duration of this agreement unless revised via a fully executed amendment to this agreement.
3. State shall invoice City on a monthly basis for 100 percent of all maintenance provided in the traffic signals identified in Exhibit A and performed by ODOT. All invoices shall be sent to the attention of the City contact identified in this Agreement.
4. State shall be responsible for all utility locating information for signals listed in Exhibit B as requested by any third party and shall not hold City liable for failure to locate said facilities. All such utility location responsibilities shall be as per the Utility Notification Laws of the State of Oregon, ORS 757.551.
5. State grants City the right to enter onto State right of way for the performance of duties as set forth in this Agreement.
6. State shall, at City's expense, perform all requested maintenance of the traffic signals listed in Exhibit A including, but not limited to:
 - a. Vehicle detector systems
 - b. Signal heads and lamps
 - c. Pedestrian heads and lamps
 - d. Signal control equipment
 - e. Communications and Intelligent Traffic Systems (ITS) infrastructure
 - f. Timing established for the operation of the traffic signals
7. State shall retain the right to review the traffic signal timing and to require City to make timing adjustments when needed.
8. State shall respond to City signal maintenance issues based on the priority of the signal. These categories are assigned to each signal and recorded in Exhibits A and B.
9. State shall perform and invoice City for the annual inspection of all signals listed in Exhibit A. This inspection shall be to department standards established by Traffic

Signal Services Unit. A copy of the results of this inspection will be provided to City.

10. State certifies, at the time this Agreement is executed, that sufficient funds are available and authorized for expenditure to finance costs of this Agreement within State's current appropriations or limitation of the current biennial budget.

11. State's Project Manager for this Project is David Hirsch, Region 4 Traffic Signals Coordinator, 53066 N. Hwy 97, Bend, OR 97701, 541-3886472 david.hirsch@odot.state.or.us or assigned designee upon individual's absence. State may replace the person acting as project manager upon written notice to the City.

GENERAL PROVISIONS

1. State may terminate this Agreement effective upon delivery of written notice to City, or at such later date as may be established by State, under any of the following conditions:

- a. If City fails to provide services called for by this Agreement within the time specified herein or any extension thereof.
- b. If City fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from State fails to correct such failures within ten (10) days or such longer period as State may authorize.
- c. If City fails to provide payment of its share of the cost of the Agreement.
- d. If State fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.
- e. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or State is prohibited from paying for such work from the planned funding source.

2. City may terminate this Agreement effective upon delivery of written notice to State, or at such later date as may be established by City, under any of the following conditions:

- a. If State fails to provide services called for by this Agreement within the time specified herein or any extension thereof.
- b. If State fails to provide payment of its share of the cost of the Agreement.

- c. If City fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow City, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.
 - d. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or City is prohibited from paying for such work from the planned funding source.
3. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the parties prior to termination.
4. Both Parties shall comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to the work under this Agreement, including, without limitation, the provisions of ORS 279B.220, 279B.225, 279B.230, 279B.235 and 279B.270 incorporated herein by reference and made a part hereof. Without limiting the generality of the foregoing, Both Parties expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.
5. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against State or City with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.
6. With respect to a Third Party Claim for which the State is jointly liable with City (or would be if joined in the Third Party Claim), State shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by City in such proportion as is appropriate to reflect the relative fault of State on the one hand and of City on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of State on the one hand and of City on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts.

State/City
Agreement No. 31165

State's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if State had sole liability in the proceeding.

7. With respect to a Third Party Claim for which City is jointly liable with State (or would be if joined in the Third Party Claim), City shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by State in such proportion as is appropriate to reflect the relative fault of City on the one hand and of State on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of City on the one hand and of State on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. City's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.
8. The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
9. This Agreement may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.
10. This Agreement and attached exhibits constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification, or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of State to enforce any provision of this Agreement shall not constitute a waiver by State of that or any other provision.

THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

State/City
Agreement No. 31165

CITY OF KLAMATH FALLS, by and through
its elected officials

By _____
City Manager

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

By _____
Council

Date _____

City Contact

Kelly Brennan - Maintenance Manager
1190 S Spring St.
Klamath Falls, OR 97601

State Contact

David Hirsch - Region 4 Traffic Signals
Coordinator
53066 N. Hwy 97
Bend, OR 97701

STATE OF OREGON, by and through
its Department of Transportation

By _____
Region 4 Manager

Date _____

APPROVAL RECOMMENDED

By _____
State Traffic Engineer

Date _____

By _____
Region 4 Maintenance and Operations
Manager

Date _____

**APPROVED AS TO LEGAL
SUFFICIENCY**

By _____
Assistant Attorney General

Date _____

EXHIBIT A

CITY OF KLAMATH FALLS SIGNALS MAINTAINED BY STATE				
NO.	SIGNAL ID	LOCATION	STATUS	PRIORITY
1	11004	Campus Way @ Dahlia St	Existing	3
2	11005	S 6 th St @ Avalon St	Existing	2
3	11006	S 6 th St @ Main St	Existing	2
4	11007	S 6 th St @ Washburn Way	Existing	1
5	11008	S 6 th St @ Austin St	Existing	1
6	11015	S 6 th St @ Shasta Way	Existing	2
7	11030	Washburn Way @ Shasta Way	Existing	1
8	11031	Washburn Way @ Crosby Ave	Existing	1
9	11032	Washburn Way @ Hilyard Ave	Existing	1
10	11033	Washburn Way @ Laverne Ave	Existing	1
11	11036	Washburn Way @ OC&E Trail – PED SIGNAL	Existing	3
12	11056	Shasta Way @ Avalon St	Existing	2
13	11213	Washburn Way @ Onyx Ave	Existing	1

EXHIBIT B

STATE SIGNALS MAINTAINED BY STATE				
NO.	SIGNAL ID	LOCATION	STATUS	PRIORITY
1	11001	Crater Lake Pkwy (OR39) @ Campus Dr	Existing	1
2	11002	Crater Lake Pkwy (OR39) @ Esplanade Ave	Existing	1
3	11003	Crater Lake Pkwy (OR39) @ Washburn Way	Existing	1
4	11009	S 6 th St @ Altamont Dr	Existing	2
5	11010	S 6 th St @ Crest St	Existing	2
6	11011	S 6 th St @ Summers Ln	Existing	1
7	11012	S 6 th St @ Crater lake Pkwy (OR39)	Existing	1
8	11013	S 6 th St (OR39) @ Hope St	Existing	1
9	11014	S 6 th St (OR39) @ Homedale Rd	Existing	1
10	11017	S 6 th St (OR39) @ Madison St	Existing	1
11	11018	S 6 th St (OR39) @ Gettle St - FIRE	Existing	1
12	11020	S 6 th St (OR39) @ Patterson St	Existing	1
13	11021	S 6 th St (OR39) @ Home Depot	Existing	1
14	11022	S 6 th St (OR39) @ Malin Jct (OR140)	Existing	1
15	11024	Crater Lake Pkwy (OR39) @ Portland St - PHB	Existing	2
16	11025	Crater Lake Pkwy (OR39) @ Shasta Way	Existing	1
17	11026	Crater Lake Pkwy (OR39) @ Main St	Existing	1
18	11035	Falls Hwy (OR140) @ Greensprings D (OR66)	Existing	2
19	11038	Southside Expy (OR 140) @ Washburn Way	Existing	2

EXHIBIT c

A. Categories shall be assigned to each signal listed on Exhibits A and B. These categories are:

1. (HIGHEST LEVEL OF RESPONSE) Intersections operating at Level of Service (LOS) F when in flash condition during the 9th highest hour of the day. This condition requires a high priority response to a trouble call.
2. (INTERMEDIATE LEVEL OF RESPONSE) Intersections operating at LOS F when in flash condition during the peak traffic hour but not during the 8th highest hour of the day. This condition requires a response to a trouble call before the next known rush hour.
3. (LOWEST LEVEL OF RESPONSE) Typically remote location intersections operating at LOS E or better in flash condition during the peak traffic hour of the day. Response to a trouble call will be made before the end of the next regular work shift.

B. ODOT and City agree to the following definitions:

EMERGENCY: When the situation seriously impedes the flow of traffic or a serious hazard to the public exists. Listed below are some examples which should be classified as emergency situations. These are high priority responses and are responded to as quickly as circumstances allow. The list shown below is not meant to be all-inclusive, and other situations may arise which could be classified as emergency:

- Traffic signal knock down (poles, cabinet, etc.)
- All signal indications are out (excluding power outages)
- Category 1 intersections on flash

NON-EMERGENCY: When the situation has little or no effect on traffic and does not appear to pose a serious problem to the public as determined by Region 4 Traffic Manager. These are regular work priority responses and are responded to as resources are available. Listed below are some examples which should be classified as non-emergency situation. The list shown is not meant to be all-inclusive, and other situations may arise which may be classified as non-emergency:

- A single indicator of a dual indication movement burned out
- Damaged signal hardware (intersection still functioning)
- Stuck pedestrian push button
- Malfunctioning vehicle detector

Response times to signal modifications or major reconstruction will be agreed upon between ODOT and City for each project requested.

**KLAMATH FALLS CITY COUNCIL
AGENDA REPORT**



Agenda Item No. 1c

Date: November 7, 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: Sewer Service Request for Private Residential Service Outside City Limits Parcel 3 of LP 51-07/R-3909-00700-00606

SUMMARY AND BACKGROUND:

Per Resolution 13-18, all new wastewater service requests outside City Limits are subject to City Council approval. Peter McNally is the owner of Parcel 3 of LP 51-07, located at the end of Sue Drive. The property currently resides within the Urban Growth Boundary, but outside the City Limits. Mr. McNally requests a service connection to the City's sanitary sewer system for his new residence. The property owner has executed an Annexation Agreement for this parcel.

Mr. McNally desires to construct a single family residence on the subject property. The neighboring community is currently served by both City water and sanitary sewer service. A sewer manhole currently resides immediately in front of the parcel.

FINANCIAL IMPACT:

A System Development Charge of \$2,795 will be paid to the City if the service connection request is approved.

COUNCIL OPTIONS:

1. Authorize Connection of Sewer Service to Parcel 3 of LP 51-07.
2. Deny Connection of Sewer Service to Parcel 3 of LP 51-07.

DOCUMENTS ATTACHED:

- Site Location Exhibit Map
- Resolution No. 13-18

1c

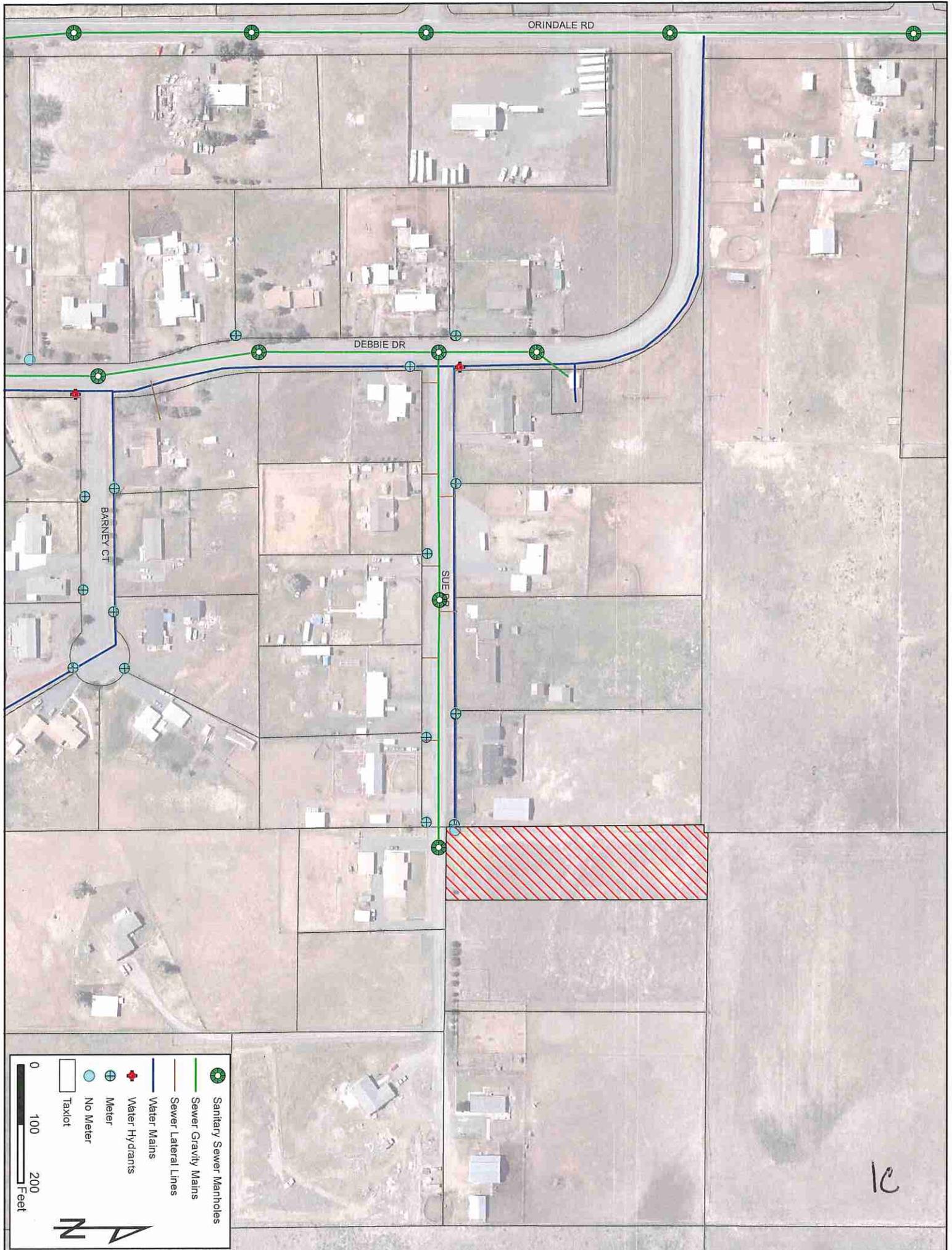
RECOMMENDED MOTION/ACTION:

Move to Approve Option 1, Authorize Connection of Sewer Service to Parcel 3 of LP 51-07.

NOTICE SENT TO:

Peter McNally, PO Box 7418, Klamath Falls, OR 97602

1c



ORINDALE RD

DEBBIE DR

BARNNEY CT

SUE DR

0 100 200 Feet

- Sanitary Sewer Manholes
- Sewer Gravity Mains
- Sewer Lateral Lines
- Water Mains
- Water Lateral Lines
- Water Hydrants
- Meter
- No Meter
- Taxlot

10

RESOLUTION NO. 13-18

**A RESOLUTION AMENDING WATER & WASTEWATER SERVICE POLICIES FOR
THE CITY OF KLAMATH FALLS AND RESCINDING RESOLUTION NO. 04-23**

WHEREAS, the wastewater and water extension policy in Resolution 04-23 contained policies for areas outside of City limits and within the Urban Growth Boundary, but such policies were confusing and led to unforeseen consequences in interpreting the Resolution; and

WHEREAS, the City would like to clarify Resolution 04-23 and to maintain the original intent of the Resolution to require either annexation or an annexation agreement to be completed by the property owner who seeks city services, the City desires to amend its water and wastewater services policies; and **NOW, THEREFORE**,

THE CITY OF KLAMATH FALLS RESOLVES AS FOLLOWS:

Section 1

1. The City provides water and wastewater service in its proprietary capacity.
2. Water service will be granted to new applicants as long as surplus water capacity exists. Applicants will receive water service according to the following priority schedule:
 - a. New residential, commercial and industrial developments within the City Limits.
 - b. Existing residential, commercial and industrial property outside of the City Limits.
 - c. Newly proposed subdivisions and land partitions for residential, commercial and industrial developments outside of the City Limits.
3. City will continue to provide water and wastewater service to all existing services outside the City Limits as of the date of this policy.
4. Any person or business requesting:
 - a. new water or wastewater service;
 - b. proposing to extend a dedicated water or wastewater main line to a subdivision, land partition or commercial/industrial tract of land;
 - c. an increase or change to existing commercial or industrial water or wastewater service, including, but not limited to a fire service, irrigation meter, additional water meter, additional sewer service lateral, etc.; or
 - d. proposing the conversion of existing residential use to commercial or industrial use,

shall, for property being contiguous with the City, apply for Consent To Annexation Limits; or for all other property, sign an Annexation Agreement to consent to future annexation once the property becomes contiguous with the City limits.

1c

The requested water or wastewater service will be not be provided by the City until either the property is annexed under Consent to Annexation or the applicant signs an Annexation Agreement.

- 5. All new wastewater service requests outside of the City Limits (including main line extensions) are subject to City Council approval.
- 6. City will comply with state laws regarding water and wastewater service beyond the Urban Growth Boundary.

Section 2

This Resolution shall become effective immediately upon enactment.

Passed by the Council of the City of Klamath Falls, Oregon on the 15th day of July, 2013.

Presented to the Mayor, approved and signed this 16th day of July, 2013.



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 certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Council of the City of Klamath Falls, Oregon, at the meeting held on the 15th day of July, 2013, and thereafter approved and signed by the Mayor and attested by the City Recorder.

City Recorder

10

**KLAMATH FALLS CITY COUNCIL
AGENDA REPORT**



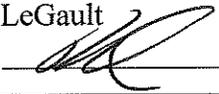
Agenda Item No. 2

Date: November 7, 2016

(Continued From 10/17/16, with added Powerpoint Presentation)

Division: Finance

Staff Presenter: Geoff LeGault

City Manager Review: 

Contact/Title: Geoff LeGault / Senior Accountant

Telephone No.: 541-883-5327

Email: glegault@klamathfalls.city

TOPIC: Fourth Quarter Analysis of the Fiscal Year 2015-2016 Budget

SUMMARY AND BACKGROUND:

Attached to this report are an Investment Summary and an Unaudited Summary of the Revenue and Expenditures for all City funds for the quarter ended June 30, 2016. This represents 100% of transactions for the fiscal year. Revenue will change slightly as final adjustments are made to estimated receivables when they are received. Explanations are provided for revenue and expenditures that have a 10% variance greater or lesser than the 100% estimated for the fiscal year to date, or for qualitative purposes.

FINANCIAL IMPACT:

There is no financial impact associated with this Agenda Item.

COUNCIL OPTIONS:

Informational only, no action required.

DOCUMENTS ATTACHED:

- Investment Report and Disclosure as of March 31, 2016
- Narrative Summary of Comments and Observations
- Spreadsheet of Revenues and Expenditures through the quarter ended March 31, 2016

RECOMMENDED MOTION/ACTION:

Informational only, no action required.

NOTICE SENT TO:

Citizen Budget Committee Members

Fourth Quarter Analysis of the 2015-2016 Budget



City of Klamath Falls
Investment Report & Disclosure
June 30, 2016

Cost	Market Value	Market Value to Cost	Type	Issuer / Broker / Dealer	Credit Rating	Yield	Days to Maturity	Date of		
								Purchase	Maturity	
Maturities within one year										
\$ 31,689,829	\$ 31,689,829	\$ -	Mixed	State Treasurers LGIP	NR	0.88%	154			
255,762	255,762	-	CD	Lewis & Clark Bank	*****	0.75%	86	03/24/2016	09/24/2016	
246,171	246,171	-	MM	Lewis & Clark Bank	*****	0.55%	365	09/24/2015	06/30/2017	
491,875	481,177	(10,698)	US AGENCY	US Government US Bank	AA+	4.04%	169	05/21/2008	12/16/2016	
250,562	250,562	-	CD	First Community FCU	*****	0.90%	227	02/12/2015	02/12/2017	
Maturities after one year										
128,935	132,043	3,109	CD	Discover Bank CD	****	2.10%	1,167	09/10/2014	09/10/2019	
259,288	259,288	-	CD	Rogue Credit Union	*****	1.51%	1,340	03/03/2014	03/01/2020	
844,475	851,620	7,145	US AGENCY	Vining Sparks/Piper Jaffray	AA+	1.47%	990	Average maturity is 2.71 Yrs.		
418,615	419,885	1,270	MUNICIPAL	Vining Sparks	AA	2.09%	1,554	Average maturity is 4.26 Yrs.		
2,405,465	2,425,241	19,776	CORPORATE	Vining Sparks	AA+	1.90%	1,516	Average maturity is 4.15 Yrs.		
1,662,533	1,686,573	24,040	US AGENCY	Davidson Investment Advisors	AA+	1.00%	1,140	Average maturity is 3.12 Yrs.		
141,188	139,988	(1,200)	MUNICIPAL	Davidson Investment Advisors	AA	1.40%	1,371	09/23/2015	04/01/2020	
488,673	507,128	18,455	US TREASURY	Davidson Investment Advisors	NR	1.10%	2,413	Average maturity is 6.61 Yrs.		
3,630,769	3,662,430	31,661	CORPORATE	Davidson Investment Advisors	A(-)	1.70%	1,352	Average maturity is 3.70 Yrs.		
\$ 42,914,140	\$ 43,007,698	\$ 93,558	Total Investments							

Weighted Average Yield to Maturity: The weighted average of the yield of all the investments in the portfolio if held to maturity.....	1.72%	
Weighted Average Maturity (WAM) - in days: The average time it takes for securities in a portfolio to mature, weighted in - proportion to the dollar amount that is invested in the portfolio. WAM can not exceed 540 days (or 18 months).....	154	
WAM for investments not subject to the 18 month average (reserve, capital project, and escrow funds).....	1253	
Distribution by Type of Investment:		
Certificate of Deposit (CD)	2.08%	
US Government Agency	6.99%	
Money Market (MM)	0.57%	
Municipal	1.30%	
Corporate Bonds	14.07%	
US Treasury Notes	1.14%	
State Treasurer's Investment Pool (Mixed)	73.84%	
Transactions since March 31, 2016: Increase Vining Sparks	1,036,479	17.56%
Transactions since March 31, 2016: Increase Davidson Investment Advisors	97,025	1.64%
Transactions since March 31, 2016: Increase Lewis & Clark Bank	1,171	0.02%
Transactions since March 31, 2016: Increase Rogue Credit Union	8,953	0.15%
Transactions since March 31, 2016: Decrease in State Treasurers Investment Pool	(4,757,644)	80.62%
Distribution of Transactions among financial counterparties (brokers/dealers)		100.00%
Violations of portfolio guidelines or non-compliance issues that occurred during the prior period or that are outstanding:	None	
Actions taken or planned to bring portfolio back into compliance if applicable:	N / A	

Notes:
 Credit rating source for Banks & Credit Unions from BauerFinancial.com star rating system: 3 - Adequate; 4 - Excellent; 5 - Superior
 Credit rating source for Corporate & Municipal: Standard & Poors
 NR: Not rated - U.S. Treasury securities carry an implicit guarantee of the US Government; LGIP OSTF weighted average rating target is AA
 Yield: Annual Percentage Rate (APR) yield to maturity (yield to worst if callable)
 Local Government Investment Pool (LGIP) [Oregon Short Term Fund (OSTF) Compliance Summary 6/30/16 WAM is 154 days]
 The Investment Pool limitation in ORS 294.810 (3) was increased August 31, 2016 to 47,390,998
 All investments are held in U.S. Bank Escrow, Institutional Trust & Custody, or Safekeeping Accounts
 Discover Bank CD was purchased from CUSO Financial Services, L.P. - an affiliate of Pacific Crest Federal Credit Union (FCU)
 Lewis and Clark Bank CD was issued through CDARS (Certificate of Deposit Account Registry Service) by one or more FDIC-insured depository institutions

Fourth Quarter Analysis of the 2015-2016 Budget

2



**City of Klamath Falls
Budget to Actual
July 1, 2015 through June 30, 2016**

GENERAL COMMENTS:

- This is a brief summary of the City's fund's revenue and expenditures and their comparative budgets for twelve months of fiscal year 2015/2016. (Note)
- The budgeted and actual amounts are for twelve months (100% of the year), July 1, 2015 through June 30, 2016.
- Explanations are provided for revenue and expenditures that have a 10% variance greater or lesser than the 100% estimated for the twelve months, or for qualitative purposes.
- Revenues are estimated for franchise fees and state revenue sharing. Amounts will be adjusted to actual upon receipt.

GENERAL FUND – REVENUE:

- The transfer in from Streets, Street Lighting and Parks funds due to the consolidation of those funds into the general fund was \$786,846 higher than budgeted. Each of those funds expenditures came in less than budgeted during fiscal year 2015. Only 4% of the budgeted \$1.4 million grant for the Lake Ewanua Trail has been received to date.

GENERAL FUND – CITY MANAGER/FINANCE:

- A supplemental budget on April 18, 2016 transferred \$5,675 from Finance software licenses and maintenance to City Manager software licenses and maintenance.

GENERAL FUND – PARKS OPERATIONS and ELLA REDKEY POOL:

- Only \$115,702 (\$70,565 on the Lake Ewana Trail) of \$1,624,625 in Parks budgeted capital has been spent to date, and \$19,684 of \$235,000 in Pool budgeted capital has been spent to date.

GENERAL FUND – STREET MAINTENANCE:

- Only \$511,441 of \$1,354,500 in budgeted capital has been spent to date.

GENERAL FUND – STREET LIGHTING:

- \$250,000 is budgeted for capital and \$158,722 has been spent to date.

GENERAL FUND – OTHER GENERAL FUND PROGRAMS:

- Only \$60,472 of \$194,700 in budgeted capital has been spent to date.
- A transfer of appropriations was done on May 16, 2016 for \$20,300 from buildings and facilities capital: \$10,000 to bonds principal 2008 FF & CR, and \$10,300 to fiscal agent fee contracts.

AIRPORT FUND:

- 68% (\$653,631) of budgeted federal grants (\$954,575) have been received to date.
- The final payment for the 1996 Airport Revenue Bonds was made in June retiring this bond issue.
- A supplemental budget on April 18, 2016 increased net working capital by \$8,550, federal grants revenue by \$128,600, and infrastructure capital outlay by \$137,150.

DOWNTOWN URBAN RENEWAL FUND:

- A supplemental budget on April 18, 2016 transferred \$50,000 from transfers out to buildings and facilities capital.

LAKEFRONT URBAN RENEWAL FUND:

- 73% (\$77,800) of budgeted property taxes (\$106,750) have been collected to date. Property valuations used to compute taxes are significantly lower this year.
- The debt service payment to the Escrow Reserve Fund budgeted at \$109,585 had to be reduced to \$79,000 as a result of the lower than projected tax revenues.

TOWN CENTER URBAN RENEWAL FUND:

- Beginning fund balance is at 54% of the budgeted amount because the City made an additional \$30,000 payment on the loan with Washington Federal at the end of fiscal year 2015.
- A loan payment of \$138,912 was paid in January 2016. The City budgeted a higher amount in debt service in order to make additional payments on the loan with Washington Federal if property taxes come in higher than budgeted.

PARKS FUND:

- A supplemental budget on April 18, 2016 increased net working capital by \$177,525, and increased transfer to other general fund programs by \$177,525.

STREET FUND:

- A supplemental budget on April 18, 2016 increased net working capital by \$586,025, and increased transfer to other general fund programs by \$586,025.

STREET LIGHTING FUND:

- A supplemental budget on April 18, 2016 increased net working capital by \$32,050, and increased transfer to other general fund programs by \$32,050.

FOOTPATHS/BICYCLE TRAILS FUND:

- The 10/19/15 supplemental budget increased capital outlay appropriations \$10,000 for phase 2 design of the Washburn Way sidewalk project. An additional supplemental budget was done 4/18/16 increasing capital outlay for this project to \$24,000. 68% (\$16,405) of the \$24,000 budget has been spent.

DOWNTOWN MAINTENANCE DISTRICT FUND:

- Beginning fund balance came in much higher than budgeted. Budgeted expenditures related to graffiti, bench repair and other miscellaneous clean up due to vandalism was not needed in fiscal year 2015.
- The District has received 93% of budgeted fees.
- A supplemental budget on April 18, 2016 increased net working capital by \$5,500 and increased infrastructure maintenance and repairs by \$5,500.

ECONOMIC DEVELOPMENT/PROPERTY FUND:

- The budget includes a reimbursement from Klamath County for \$25,000, of which we've billed \$18,333, to assist with payments to the Retail Recruiter hired to bring more retail to the area. Of the \$50,000 budgeted for the Retail Recruiter, \$47,436 has been paid.
- Federal grants and contracted services were increased by \$100,000 with resolution 15-17 for the brownfield study. \$109,221 has been paid, and \$97,635 has been received in grant receipts. Materials and services did go over budget by \$194.
- \$50,000 is budgeted for KCEDA and has been paid; and \$20,000 is budgeted for SCOEDD and \$15,000 of that has been paid to date.

TECHNOLOGY RESERVE FUND:

- Revenues include interest and a transfer in of \$60,000 to pay for the Tyler Conversion.
- Expenditures of \$80,265 have been made this fiscal year for the Tyler Conversion. The conversion will be completed in 2016.

CAPITAL PROJECTS FUND:

- Revenue includes payments from the Finance and Utility Billing departments as reimbursement for the remodel of the building, interest, and transfers in from the Water and Wastewater Funds in the amount of \$14,500,000. All funds are reserved for future capital projects.

ESCROW RESERVE FUND:

- The revenue budget includes interest and a transfer in from the Cogeneration Fund (distribution from the sale of the plant) and interfund loan payments from the airport fund, lakefront urban renewal fund and technology reserve fund.

WASTEWATER FUND:

- Bond proceeds for the Refunding Revenue Bonds Series 2015 were \$7,126,120. Bond principal expense to pay-off the Refunding Revenue Bonds Series 2005 was \$7,055,000. Expenditures of proceeds from the sale of certain bonds may be made during the current year without a supplemental budget [ORS 294.326(5) and 294.483(2)]. Average coupon yields for the 2005 and the 2015 Bonds went from 3.94% to 2.32% respectively saving \$522,255 over the life of the bonds.
- Payments on the Refunding Revenue Bonds Series 2015 totaled \$808,900.
- The \$10,000,000 transfer out is to the Capital Projects Fund to save for future capital projects related to the treatment plant and TMDL issue.

WATER FUND:

- The final payment for the 2001 Water Refunding Revenue Bonds was made in June retiring this bond issue. Operations capital outlay was 50% of the 2,386,000 budget
- Current year transfers out include \$4,500,000 to the Capital Projects Fund to save for future capital projects in addition to regular transfers to Parks, Airport, and General Fund for the Street Division.

COGENERATION FUND:

- Revenue includes distributions from the sale of the Cogeneration plant and interest.
- The interest revenue was low because of the market value adjustment.
- The transfer out to Escrow Reserve Fund was less than the budget estimate.

VETERAN'S MEMORIAL AGENCY FUND:

- Revenue includes donations and interest.
- Capital outlay projects include completion of the expansion that began three years ago. To date 22% of the budget has been spent.

Note – The following tables are summaries by fund of the estimates of revenue and expenditures. The left hand column represents the estimates and should be compared to the budget on the right-hand side. In addition, at the bottom of each fund, we show the approximate current fund balance. Our policy is to protect the reserves while maintaining services to the public as much as possible and achieving the goals of the City Council.



CITY OF KLAMATH FALLS
UNAUDITED BUDGET TO ACTUAL
TWELVE MONTHS ENDED JUNE 30, 2016

	GENERAL FUND		
	YEAR TO DATE ACTUAL	BUDGET	% OF BUDGET
RESOURCES			
BEGINNING FUND BALANCE	\$ 3,561,893	\$ 3,446,350	103%
REVENUE	<u>21,741,302</u>	<u>23,273,275</u>	<u>93%</u>
TOTAL RESOURCES	25,303,195	26,719,625	95%
EXPENDITURES			
PUBLIC SAFETY			
POLICE	5,527,244	5,615,575	98%
CODE ENFORCEMENT	175,015	191,875	91%
ADMINISTRATIVE			
LEGISLATIVE	97,310	106,875	91%
LEGAL	219,797	228,900	96%
CITY MANAGER	549,813	555,275	99%
SUPPORT SERVICES			
MUNICIPAL COURT	209,532	240,275	87%
FINANCE	635,339	700,325	91%
HUMAN RESOURCES	260,444	280,175	93%
TECHNOLOGY SERVICES	388,623	393,850	99%
PARKS & RECREATION	875,792	2,500,825	35%
ELLA REDKEY POOL	313,695	551,025	57%
PUBLIC WORKS			
PUBLIC WORKS ADMINISTRATION	283,938	285,975	99%
MAINTENANCE SERVICES	881,324	897,425	98%
DEVELOPMENT SERVICES	829,826	910,850	91%
STREET MAINTENANCE	1,839,498	2,864,750	64%
VEHICLE MAINTENANCE	231,790	249,275	93%
STREET LIGHTING	305,748	416,550	73%
OTHER GENERAL FUND	168,288	322,550	52%
DEBT SERVICE	295,633	295,900	100%
TRANSFERS OUT	60,000	60,000	100%
RESERVED FOR FUTURE		9,051,375	0%
TOTAL EXPENDITURES	<u>14,148,649</u>	<u>26,719,625</u>	<u>53%</u>
NET REVENUES OVER EXPENDITURES	<u><u>\$ 11,154,546</u></u>		

		AIRPORT FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 1,124,706	\$ 1,322,200	85%
	REVENUE	2,051,757	2,539,250	81%
	TOTAL RESOURCES	3,176,463	3,861,450	82%
EXPENDITURES		1,830,514	2,119,275	86%
	DEBT SERVICE	185,419	185,425	100%
	RESERVED FOR FUTURE		1,556,750	0%
	TOTAL EXPENDITURES	2,015,933	3,861,450	52%
NET REVENUES OVER EXPENDITURES		<u>\$ 1,160,530</u>		

		DOWNTOWN URBAN RENEWAL		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 704,027	\$ 684,150	103%
	REVENUE	71,939	75,525	95%
	TOTAL RESOURCES	775,966	759,675	102%
EXPENDITURES		716,787	752,675	95%
	TRANSFERS OUT		7,000	0%
	TOTAL EXPENDITURES	716,787	759,675	94%
NET REVENUES OVER EXPENDITURES		<u>\$ 59,179</u>		

		LAKEFRONT URBAN RENEWAL		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 4,266	\$ 3,125	137%
	REVENUE	78,876	107,800	73%
	TOTAL RESOURCES	83,142	110,925	75%
EXPENDITURES		1,324	1,325	100%
	DEBT SERVICE	79,000	109,600	72%
	TOTAL EXPENDITURES	80,324	110,925	72%
NET REVENUES OVER EXPENDITURES		<u>\$ 2,818</u>		

		TOWN CENTER URBAN RENEWAL		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 28,717	\$ 53,125	54%
	REVENUE	180,622	175,125	103%
	TOTAL RESOURCES	209,339	228,250	92%
EXPENDITURES		7,324	7,325	100%
	DEBT SERVICE	138,912	220,925	63%
	TOTAL EXPENDITURES	146,236	228,250	64%
NET REVENUES OVER EXPENDITURES		<u>\$ 63,103</u>		

Fourth Quarter Analysis of the 2015-2016 Budget

		PARKS FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 1,624,617	\$ 1,624,625	100%
	REVENUE	-	-	
	TOTAL RESOURCES	<u>1,624,617</u>	<u>1,624,625</u>	<u>100%</u>
EXPENDITURES				
	TRANSFER TO GENERAL FUND	<u>1,624,617</u>	<u>1,624,625</u>	<u>100%</u>
	TOTAL EXPENDITURES	<u>1,624,617</u>	<u>1,624,625</u>	<u>100%</u>
NET REVENUES OVER EXPENDITURES		<u>\$ -</u>		

		STREET FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 4,576,753	\$ 4,576,775	100%
	REVENUE	-	-	
	TOTAL RESOURCES	<u>4,576,753</u>	<u>4,576,775</u>	<u>100%</u>
EXPENDITURES				
	TRANSFER TO GENERAL FUND	<u>4,576,753</u>	<u>4,576,775</u>	<u>100%</u>
	TOTAL EXPENDITURES	<u>4,576,753</u>	<u>4,576,775</u>	<u>100%</u>
NET REVENUES OVER EXPENDITURES		<u>\$ -</u>		

		PARKING FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 68,977	\$ 71,525	96%
	REVENUE	<u>98,642</u>	<u>93,225</u>	<u>106%</u>
	TOTAL RESOURCES	<u>167,619</u>	<u>164,750</u>	<u>102%</u>
EXPENDITURES				
	RESERVED FOR FUTURE	<u>109,181</u>	<u>114,000</u>	<u>96%</u>
	TOTAL EXPENDITURES	<u>109,181</u>	<u>164,750</u>	<u>66%</u>
NET REVENUES OVER EXPENDITURES		<u>\$ 58,438</u>		

		STREET LIGHTING FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 465,656	\$ 465,675	100%
	REVENUE	-	-	
	TOTAL RESOURCES	<u>465,656</u>	<u>465,675</u>	<u>100%</u>
EXPENDITURES				
	TRANSFER TO GENERAL FUND	<u>465,656</u>	<u>465,675</u>	<u>100%</u>
	TOTAL EXPENDITURES	<u>465,656</u>	<u>465,675</u>	<u>100%</u>
NET REVENUES OVER EXPENDITURES		<u>\$ -</u>		

		FOOTPATHS / BICYCLE TRAILS FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 78,625	\$ 78,025	101%
	REVENUE	13,248	12,500	106%
	TOTAL RESOURCES	91,873	90,525	101%
EXPENDITURES		17,880	25,475	70%
	RESERVED FOR FUTURE		65,050	0%
	TOTAL EXPENDITURES	17,880	90,525	20%
NET REVENUES OVER EXPENDITURES		<u>\$ 73,993</u>		

		DOWNTOWN MAINTENANCE DISTRICT FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 9,448	\$ 9,375	101%
	REVENUE	18,778	20,050	94%
	TOTAL RESOURCES	28,226	29,425	96%
EXPENDITURES		25,947	29,425	88%
	RESERVED FOR FUTURE			
	TOTAL EXPENDITURES	25,947	29,425	88%
NET REVENUES OVER EXPENDITURES		<u>\$ 2,279</u>		

		ECONOMIC DEVELOPMENT/PROPERTY FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 278,138	\$ 285,600	97%
	REVENUE	129,325	137,325	94%
	TOTAL RESOURCES	407,463	422,925	96%
EXPENDITURES		241,169	240,975	100%
	CONTINGENCY		181,950	0%
		241,169	422,925	57%
NET REVENUES OVER EXPENDITURES		<u>\$ 166,294</u>		

		TECHNOLOGY RESERVE FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 235,191	\$ 192,250	122%
	REVENUE	61,552	60,950	101%
	TOTAL RESOURCES	296,743	253,200	117%
EXPENDITURES		93,018	150,300	62%
	DEBT SERVICE	60,000	60,000	100%
	CONTINGENCY		42,900	0%
		153,018	253,200	60%
NET REVENUES OVER EXPENDITURES		<u>\$ 143,725</u>		

Fourth Quarter Analysis of the 2015-2016 Budget

2

CAPITAL PROJECTS FUND				
		YEAR TO DATE	% OF	
		ACTUAL	BUDGET	
RESOURCES	BEGINNING FUND BALANCE	\$ 3,150,470	\$ 3,149,975	100%
	REVENUE	14,622,030	14,569,750	100%
	TOTAL RESOURCES	17,772,500	17,719,725	100%
RESERVED FOR FUTURE			17,719,725	0%
NET REVENUES OVER UNAPPROPRIATED		\$ 17,772,500		

ESCROW RESERVE FUND				
		YEAR TO DATE	% OF	
		ACTUAL	BUDGET	
RESOURCES	BEGINNING FUND BALANCE	\$ 5,774,866	\$ 5,797,775	100%
	REVENUE	418,658	476,150	88%
	TOTAL RESOURCES	6,193,524	6,273,925	99%
RESERVED FOR FUTURE			6,273,925	0%
NET REVENUES OVER UNAPPROPRIATED		\$ 6,193,524		

DEBT SERVICE FUND				
		YEAR TO DATE	% OF	
		ACTUAL	BUDGET	
RESOURCES	BEGINNING FUND BALANCE	\$ 57,181	\$ 57,725	99%
	REVENUE	178,663	179,700	99%
	TOTAL RESOURCES	235,844	237,425	99%
	DEBT SERVICE	205,525	205,525	100%
	UNAPPROPRIATED ENDING FUND BALANCE		31,900	0%
	TOTAL EXPENDITURES	205,525	237,425	87%
NET REVENUES OVER EXPENDITURES		\$ 30,319		

WASTEWATER FUND				
		YEAR TO DATE	% OF	
		ACTUAL	BUDGET	
RESOURCES	BEGINNING FUND BALANCE	\$ 12,073,689	\$ 12,216,150	99%
	REVENUE	14,691,299	7,795,425	188%
	TOTAL RESOURCES	26,764,988	20,011,575	134%
EXPENDITURES		4,900,328	6,034,875	81%
	DEBT SERVICE	7,935,020	867,375	915%
	TRANSFERS OUT	10,000,000	10,000,000	100%
	RESERVED FOR FUTURE		3,109,325	0%
	TOTAL EXPENDITURES	22,835,348	20,011,575	114%
NET REVENUES OVER EXPENDITURES		\$ 3,929,640		

		WATER FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 8,505,044	\$ 8,025,550	106%
	REVENUE	7,863,065	7,620,325	103%
	TOTAL RESOURCES	16,368,109	15,645,875	105%
EXPENDITURES		5,429,013	6,674,825	81%
	DEBT SERVICE	545,323	545,325	100%
	TRANSFERS OUT	5,241,622	5,246,200	100%
	RESERVED FOR FUTURE		3,179,525	0%
	TOTAL EXPENDITURES	11,215,958	15,645,875	72%
NET REVENUES OVER EXPENDITURES		<u>\$ 5,152,151</u>		

		COGENERATION FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 706,617	\$ 731,975	97%
	REVENUE	3,799	32,100	12%
	TOTAL RESOURCES	710,416	764,075	93%
EXPENDITURES		1,500	1,500	100%
	TRANSFERS OUT	204,081	239,825	85%
	RESERVED FOR FUTURE		522,750	0%
	TOTAL EXPENDITURES	205,581	764,075	27%
NET REVENUES OVER EXPENDITURES		<u>\$ 504,835</u>		

		VETERAN'S MEMORIAL AGENCY FUND		
		YEAR TO DATE		% OF
		ACTUAL	BUDGET	BUDGET
RESOURCES	BEGINNING FUND BALANCE	\$ 150,074	\$ 132,650	113%
	REVENUE	5,669	6,225	91%
	TOTAL RESOURCES	155,743	138,875	112%
EXPENDITURES		1,452	6,525	22%
	RESERVED FOR FUTURE		132,350	0%
	TOTAL EXPENDITURES	1,452	138,875	1%
NET REVENUES OVER EXPENDITURES		<u>\$ 154,291</u>		

NOTE: The tables above are summaries by fund of the estimates of revenues and expenditures. The left hand column represents the estimates and should be compared to the budget on the right-hand side. In addition, at the bottom of each fund, we show the approximate current fund balance. Our policy is to protect the reserves while maintaining services to the public as much as possible and achieving the goals of the City Council.

**KLAMATH FALLS CITY COUNCIL
AGENDA REPORT**



Agenda Item No. 3

Date: November 7, 2016

Department: Legal	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 Amending Klamath Falls Code Sections 7.250 and 7.255 and Adding Sections 7.252 and 7.253 Regarding Medical Marijuana Facilities – Second Reading

SUMMARY AND BACKGROUND:

At the last Council meeting, staff stated that the 1,000 feet from other medical marijuana facilities applied only to processors.

After review of the proposed ordinance, staff believes we need further clarification of the proposed ordinance. Attached to this second reading are the following amendments:

7.250 Locations of Medical Marijuana Facilities

- (1) A medical marijuana facility shall be located more than:
 - (a) 400 feet from any residential zone; and
 - (b) 1000 feet from the real property comprising a public or private college, junior college or university, public or private elementary, secondary or career school attended primarily by minors, public library, public park, recreation center or facility, licensed child care facility as defined by ORS 329A.250, public transit center or any game arcade where admission is not restricted to persons aged 21 years or older.
- (2) The distance shall be measured in a straight line from the closest edge of each property line.
- ~~(3) Medical marijuana facilities shall be at least 1000 feet from another medical marijuana facility.~~
- ~~(4)~~(3) Medical marijuana facilities shall only be developed in accordance with the provisions of the Community Development Ordinance, Chapters 10 through 14.

7.253 Medical Marijuana Processing Restrictions

In addition to the state laws and regulations for medical marijuana processing:

- (1) No person may process or store medical marijuana products or concentrates in an area that can be readily seen by normal unaided vision from a public place.
- (2) Medical Marijuana processing facilities must:
 - (a) Install and operate security systems intended to deter theft and other crimes.
 - (b) Limit access to regulatory agencies, licensed individuals and their employees.
- (c) Located at least 1000 feet from another medical marijuana processor.**

Since state law prohibits medical marijuana dispensaries to be 1,000 feet from another medical marijuana dispensary, the amendment need to be changed only to include medical marijuana processors.

FINANCIAL IMPACT:

None.

COUNCIL OPTIONS:

1. Approve the proposed Ordinance.
2. Reject the proposed Ordinance.

DOCUMENTS ATTACHED:

- Proposed Ordinance
- Revised Overlay Map

RECOMMENDED MOTION/ACTION:

- Move to introduce the Ordinance by title for second reading
- Move to approve the Ordinance

NOTICE SENT TO:

N/A

ORDINANCE NO. 16- _____

**ORDINANCE AMENDING KLAMATH FALLS CODE AMENDING SECTIONS 7.250
AND 7.255 AND ADDING SECTIONS 7.252 AND 7.253 REGARDING MEDICAL
MARIJUANA FACILITIES**

WHEREAS, Oregon House Bill 3400 amended the laws regarding medical marijuana and recreational marijuana; and

WHEREAS, under its home rule authority, the City desires to include medical marijuana processors in the definition of medical marijuana facilities and delete any references to state law; and

WHEREAS, the City wishes to include colleges in the 1,000 foot safe zone; and

WHEREAS, the City desires to maintain the requirement that all medical marijuana facilities must be at least 1000 feet from another medical marijuana facility; and

WHEREAS, the City desires to impose additional regulations on medical marijuana processing regulations for public view, security systems, and limiting access; and **NOW THEREFORE**,

THE CITY OF KLAMATH FALLS HEREBY ORDAINS AS FOLLOWS:

Section 1

Sections 7.250 and 7.255 of the Klamath Falls City Code shall be amended to read:

7.250 Locations of Medical Marijuana Facilities

(1) A medical marijuana facility shall be located more than:

(a) 400 feet from any residential zone; and

(b) 1000 feet from the real property comprising a public or private college, junior college or university, public or private elementary, secondary or career school attended primarily by minors, public library, public park, recreation center or facility, licensed child care facility as defined by ORS 329A.250, public transit center or any game arcade where admission is not restricted to persons aged 21 years or older.

(2) The distance shall be measured in a straight line from the closest edge of each property line.

(3) Medical marijuana facilities shall only be developed in accordance with the provisions of the Community Development Ordinance, Chapters 10 through 14.

7.255 Marijuana-Infused Products

(1) A medical marijuana facility may not transfer any marijuana-infused product that is meant to be swallowed or inhaled, unless the product is packaged in child-resistant safety packaging.

(2) A medical marijuana facility may not transfer any marijuana-infused product that is manufactured or packaged in a manner that is attractive to minors.

Section 2

Sections 7.252 and 7.253 are added:

7.252 Definitions

"Medical marijuana facility" means retail, production, processing, wholesaling, or other facility licensed under the state medical marijuana laws.

7.253 Medical Marijuana Processing Restrictions

In addition to the state laws and regulations for medical marijuana processing:

- (1) No person may process or store medical marijuana products or concentrates in an area that can be readily seen by normal unaided vision from a public place.
- (2) Medical Marijuana processing facilities must:
 - (a) Install and operate security systems intended to deter theft and other crimes.
 - (b) Limit access to regulatory agencies, licensed individuals and their employees.
 - (c) Located at least 1000 feet from another medical marijuana processor.

Passed by the Council of the City of Klamath Falls this _____ day of November, 2016.

Presented to the Mayor, approved and signed this _____ day of November, 2016.

Mayor

ATTEST:

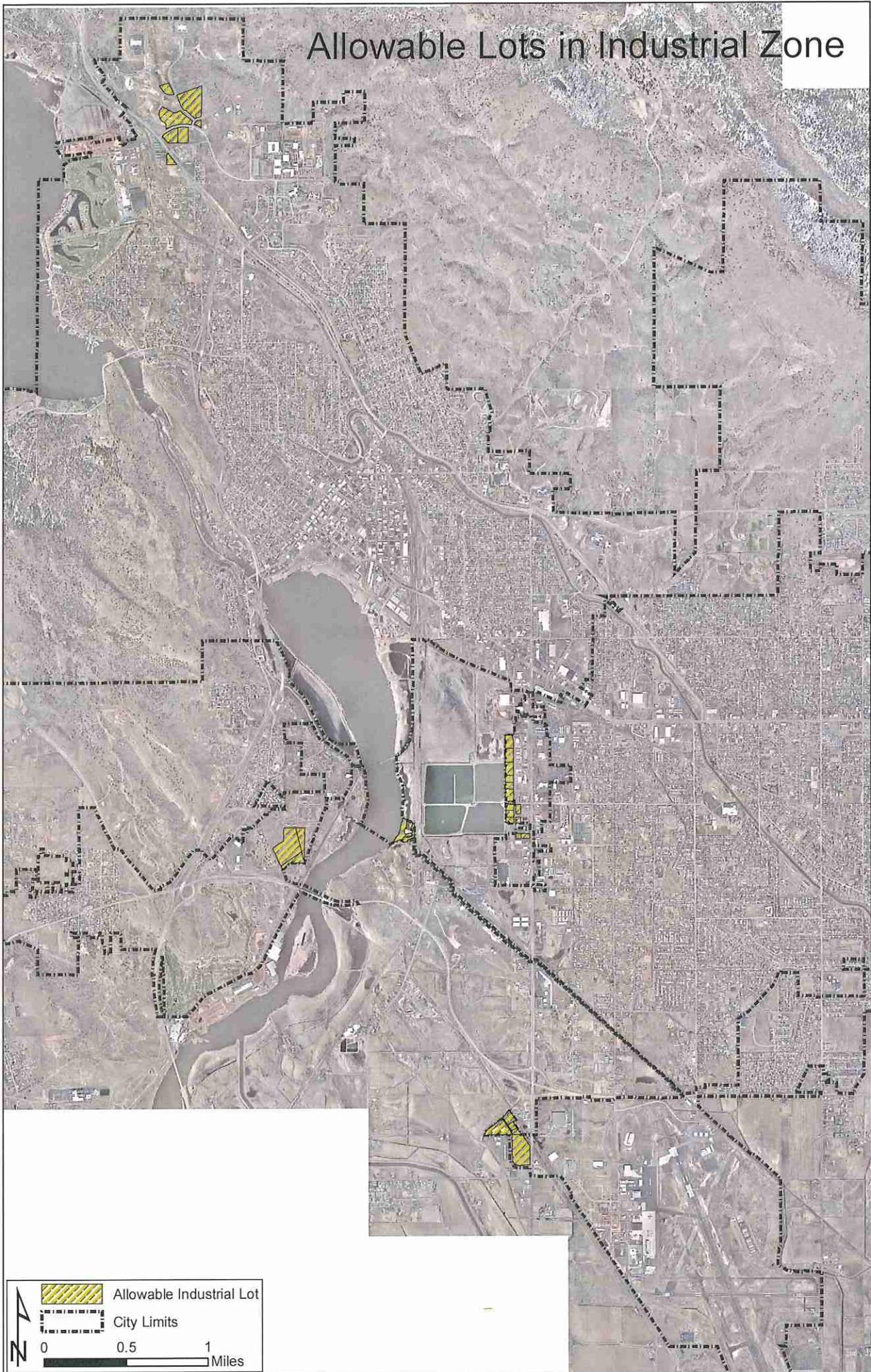
City Recorder

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 November, 2016 and therefore approved and signed by the Mayor and attested by the City Recorder.

City Recorder

Allowable Lots in Industrial Zone



ORDINANCE NO. 16-_____

**ORDINANCE AMENDING KLAMATH FALLS CODE SECTION 5.446 REGARDING
MEDICAL AND RECREATIONAL MARIJUANA IN THE PUBLIC VIEW AND
DECLARING A LEGISLATIVE EMERGENCY**

WHEREAS, the City desires to clarify that Section 5.446 applies to all marijuana and marijuana products must be kept out of the public view; and

WHEREAS, under its home rule authority and ORS 475B, the City desires to remove any limitation for homegrown marijuana; and **NOW THEREFORE**,

THE CITY OF KLAMATH FALLS HEREBY ORDAINS AS FOLLOWS:

Section 1

Section 5.446 of the Klamath Falls City Code shall be amended to read:

5.446 Medical and Recreational Marijuana in Public View Prohibited

No person may produce, process, keep, or store medical and recreational marijuana or medical and recreational cannabinoid products or cannabinoid concentrates if the medical and recreational marijuana or medical and recreational cannabinoid products or cannabinoid concentrates can be readily seen by normal unaided vision from a public place.

Section 2

It being necessary for the preservation of public peace, health, safety and welfare and for this Ordinance be enacted immediately, a legislative emergency due to the continuing damage at the site listed above, an emergency is hereby declared to exist and this Ordinance shall take effect and be in full force on the date of its passage by the City Council and approval by the Mayor.

Passed by the Council of the City of Klamath Falls this _____ day of November, 2016.

Presented to the Mayor, approved and signed this _____ day of November, 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 November, 2016 and therefore approved and signed by the Mayor and attested by the City Recorder.

City Recorder

4