

ANNUAL REPORT



2012

Our Mission

To further the vision, the City of Klamath Falls provides essential services and infrastructure to promote the social and economic health of the community. The role of the City Council is to provide the leadership necessary to fulfill this mission.

On the cover: F-15 on the successfully reconstructed runway at the Klamath Falls Airport by contractor Knife River, engineers Mead & Hunt and the City after Settlement of the City's \$20 million lawsuit alleging defective pavement.

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MESSAGE FROM JAMES HUNTER, INTERIM CITY MANAGER AND POLICE CHIEF

Your City at Work For You

One of the privileges of my position as Interim City Manager and Police Chief of the City of Klamath Falls is to reflect this year on the many ways in which our City staff has worked to improve and serve our community. It is both rewarding and deeply humbling to know how hard our Mayor, Council, Planning Commissioners, Committee members, volunteers, and employees work toward success and improved public service.

Another privilege I particularly enjoy is thanking the many organizations and individuals who volunteer and assist the City of Klamath Falls. Progress and change happen here because of the generous volunteers who give of themselves; all have made a profound impact.

This year the City made major strides and advances, highlighted in this Annual Report, which include:

- Successful reconstruction of the runway at the Klamath Falls Airport after the negotiated settlement.
- New City Manager Nathan Cherpeski was hired and will begin in his role effective February 1, 2013. Mr. Cherpeski's hiring marks the first time in many years the City has not promoted a current City employee into this position. We are excited to hear his fresh, outside perspective on ways to continue to assist our citizens, improve economic development and keep our City moving forward.

- BestCare Treatment is in the final stages of securing a grant to provide detox services. They are partnered with the City, Klamath County Sheriff's office and Sky Lakes Medical Center. While this is a costly endeavor it is well worth the expense each year to be able to provide a location for those intoxicated individuals.

- Our first annual "Shop with a Cop" event benefited 23 needy or at risk children from Klamath Falls at our event held in early December. This year Conger Elementary opened its doors to assist law enforcement in providing a joyful holiday for underprivileged children who, without this event, may not experience one. Along with a grant from Walmart and a great deal of assistance and support from the local retailer as well as many local businesses and private citizens, uniformed officers from Klamath Falls City Police, Klamath County Sheriff's Department and Oregon State Troopers volunteered their time to be with the children for dinner and shopping for themselves and their families. It was with the generous donations from local businesses and private citizens that the event was successful and we look forward to accommodating even more children next year.

- Thanks to the hard work of several Klamath Falls community partners, Sanford opened their local Sanford Pediatric Clinic. Not only did Sanford bring improved health care to the children of the region, the clinic helped boost the region's economy by creating new jobs throughout the entire phase of this project, including development, implementation and operation phases.

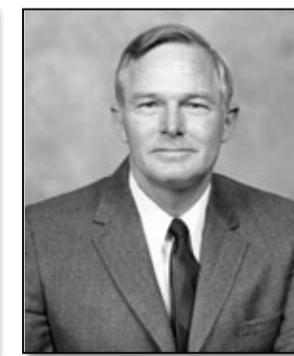
These achievements show how innovative thinking, catalyzed by hard work and dedication brings about change and progress in our community. Our staff and partners' contributions sustain the City of Klamath Falls' unique community.

On behalf of everyone at the City of Klamath Falls,

I extend my sincere thanks to you for helping us serve and support our community.



Interim City Manager and Police Chief James Hunter



From left to right Council members: Matt Dodson (Ward 3), Trish Seiler (Ward 1), Bud Hart (Ward 2), Dan Tofell (Ward 4), and Bill Adams (Ward 5)

MAYOR & COUNCIL

2012 was an election year for the Mayor and the Council Representatives of Wards 1, 2 and 3 but the faces will stay the same.

Mayor Todd Kellstrom will add four more years to his 20 years he has already served as the Mayor. He was first elected in 1992.

Trish Seiler was successful in retaining her position as Council Representative of Ward 1; a position she has held since 2000.

Ward 2 incumbent Bud Hart will continue to represent his Ward, a position that he has also held since 1988.

In August 2012, Matt Dodson was appointed by the City Council to serve the remaining term as Ward 3 Council Representative due to the resignation of the previous Council member. Since this was an election year and as required by City Charter, Mr. Dodson was also required to file for the election to fill the remaining two years. The newly elected Mayor and City Council members took their oath of office January 7, 2013.



Mayor Todd Kellstrom

The City of Klamath Falls Committees and Commissions, made up of volunteers, include: Planning Commission, Budget Committee, Downtown Advisory Committee, Parks Advisory Board, Traffic Control Board, and the Klamath Falls Inter-Community Hospital Authority.

MANAGEMENT TEAM

The City of Klamath Falls Management Team is responsible for overseeing the many services the City provides to our citizens as well as assisting their staff in maintaining Workplace Values.

Each Department has specific responsibilities; some are broken into different Divisions within a Department but each with a specific set of duties to keep the City running smoothly.

ADMINISTRATION: City Administration staff supports the strategic and functional delivery of services to our citizens and customers.

AIRPORT: The Klamath Falls Airport provides commercial airline service with Sky West, general aviation facilities, and supports the mission of the 173rd Fighter Wing of the Air National Guard.

COMMUNITY DEVELOPMENT: The Community Development Department oversees Land Use Planning, Business Licenses, Code Enforcement, Parks, and more.

HUMAN RESOURCES: Human Resources is responsible for providing a wide range of services to City Departments and employees.

CITY ATTORNEY (LEGAL): The City Attorney is the Chief Legal Officer of the City.

POLICE: The Police Department operates with a philosophy of community policing coupled with heightened customer service.

PUBLIC WORKS: The Public Works Department oversees: Water & Geothermal, Wastewater, Streets & Equipment, Engineering, Maintenance, and Street Lighting.



City of Klamath Falls Management Team

Top Row (L to R): City Attorney Joanna Lyons-Antley, Interim City Manager & Police Chief James Hunter, Community Development Director Sandra Fox, Airport Director John Longley, and Public Works Director Mark Willrett

Bottom Row (L to R): Finance Director Phyllis Shidler, Assistant City Manager/Human Resources Director Susan Kirby, City Recorder Elisa Olson

FINANCE: The Finance Department is the hub of all financial activities for the City.

VISION STATEMENT

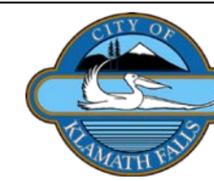
The City of Klamath Falls is a vibrant, cohesive community built on a strong economic base which balances urbanization with its existing historic character and values.

WORKPLACE VALUES

Respect – Communication – Integrity – Teamwork - Family

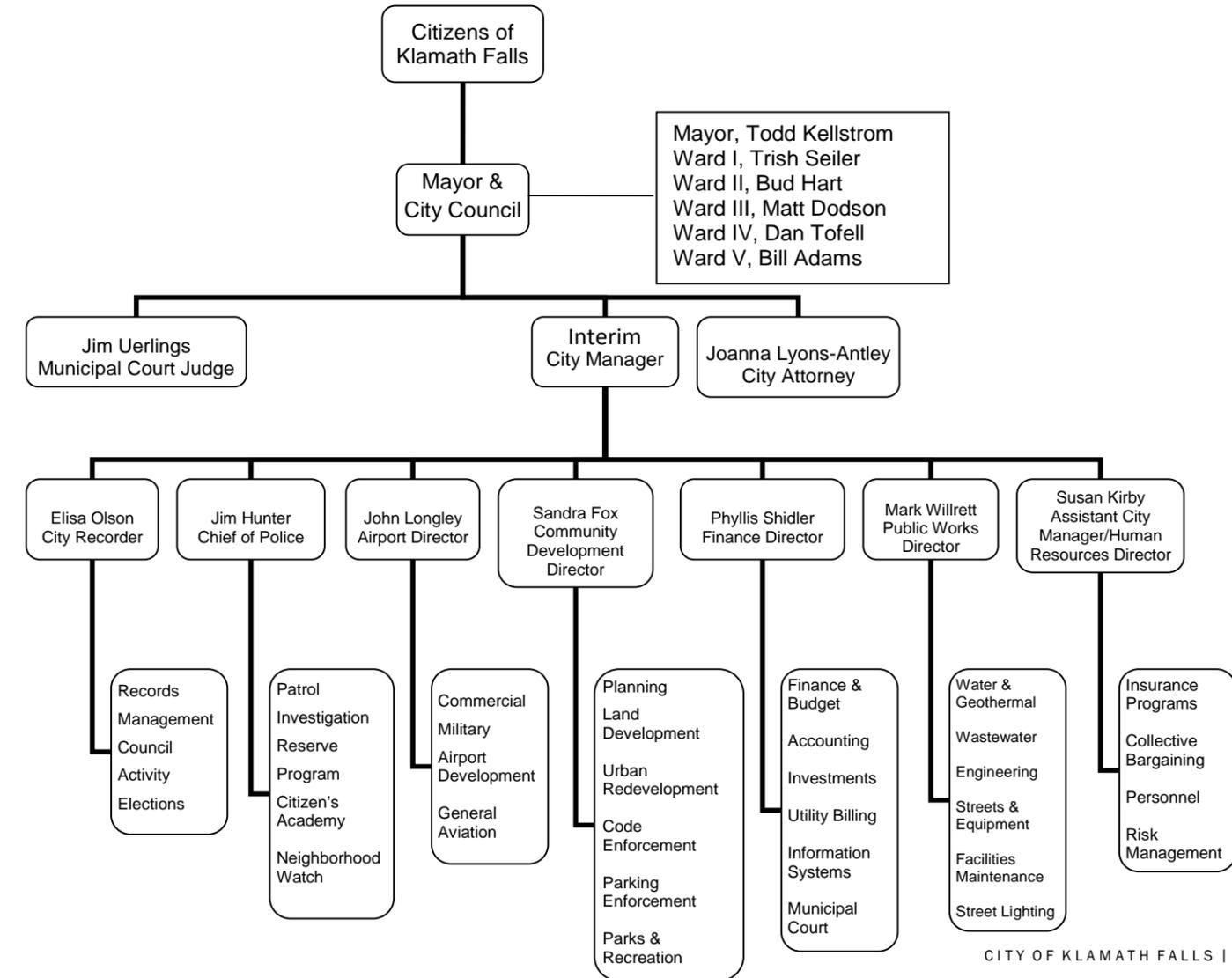


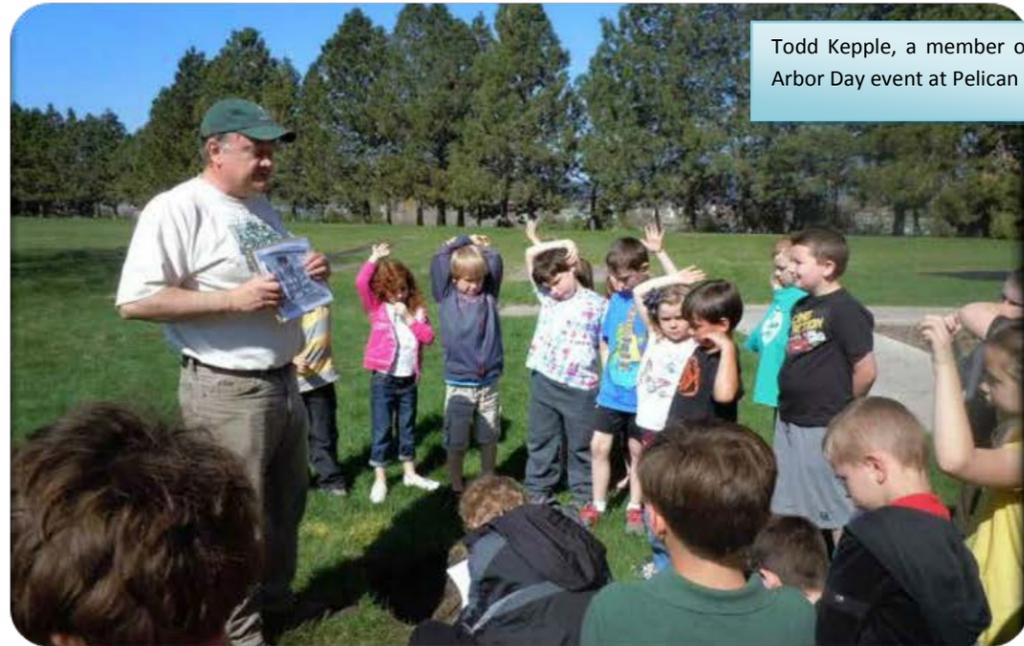
➤ The City of Klamath Falls' food drive was a huge success. City employees donated between monetary and food donations, an equivalent of 10,870 pounds of food to the Klamath-Lake Counties Food Bank.



CITY OF KLAMATH FALLS

Organizational/Responsibilities Chart





Todd Kepple, a member of Klamath Tree League (KTL) speaks with students during a 2012 Arbor Day event at Pelican Elementary School.

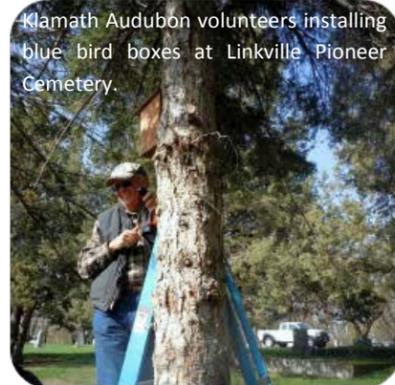
PARKS

The City Parks system consists of 30 areas totaling 700 acres. These are mini, neighborhood, or regional parks, with special use areas, natural open space and landscaped areas.

The City of Klamath Falls Parks Division has benefited from countless hours of volunteerism through the efforts of several individuals, groups and agencies. Here are some examples of those efforts.



2012 OBRA Cyclocross Race



Klamath Audubon volunteers installing blue bird boxes at Linkville Pioneer Cemetery.



Crews place the first bridge on the Lake Ewauna Trail. This portion of the trail near Veterans Memorial Park was funded by Klamath Tribes, Pacific Power, the City Klamath Falls, and Oregon State Parks.



City Planner Joe Slaughter and Friends of Moore Park Volunteer Kevin Jones conduct Moore Park trail surveys during the summer of 2012.



City crews began construction of a portion of the Lake Ewauna Trail west and south of the water treatment plant facility. Funded in part by a grant from the National Park Service Land and Water Conservation Fund, the trail is part of a planned 1.8 mile trail system around Lake Ewauna and a future connection to the State Parks OC&E Trail.

Klamath Audubon Society: In addition to hundreds of volunteer hours improving bird habitat in City Parks and Cemeteries, the group also provided over \$1,000 to purchase equipment for volunteers to maintain trails within the Klamath Falls City Parks.

Klamath Tree League: KTL is involved in community enriching projects and serves as an advisory board to the City Parks Maintenance and Operations Superintendent on urban forestry matters. This partnership has brought recognition to the City of Klamath Falls as Tree City USA for the last 10 years.

Klamath Historical Society (KHS): In 2012, KHS volunteers worked over 200 hours to secure grants for marker restoration, writing a cemetery interpretive pamphlet, and designing content for an online historic cemetery guide.

Friends of Moore Park (FOMP): Volunteers from FOMP, Klamath Trail Alliance, Oregon Institute of Technology, Klamath Greenways Foundation, Linkville Lopers, Klamath Historical Society and other non-

profits partnered with the City Parks, Oregon Department Forestry, United States Fish and Wildlife Service Klamath Office, Klamath Tribes, and Fremont-Winema National Forest on trail and fuels management projects at Moore Park. Through these partnerships, there are now over 10 miles of mapped trails for bicycling, hiking, running, and cross country skiing.

Volunteers from Klamath Trail Alliance and Friends of Moore Park also set up for the 2012 OBRA Cyclocross Race held annually in Moore Park. The race is a fund raiser for improving trails and trail signage in the Park. Klamath Community College partnered with the above organizations and City Parks to build trailhead kiosks to display trail maps, interpretive information, and trail advisories.

Individuals: Over 100 people participated in the 2012 sprucing up of the Parks managed historic Linkville Cemetery. Note the recent restoration work done on the wall below the fence (above), which was funded by a grant

through the Oregon State Historic Preservation Office with technical assistance from the Klamath Historical Society and Klamath County Museum. The Museum donates a portion of their Living History "Night at the Cemetery" event ticket sale proceeds as matching funds on such restoration projects.

Integral Youth Services and Northwest Youth Corps: In 2011 and 2012 Youth Crews from Integral Youth Services and Northwest Youth Corps have constructed miles of recreational trails in Moore Park. This has been possible with technical assistance and grants from Klamath Tribes, Klamath Historical Society Archeologists, United States Fish and Wildlife Service Klamath Office, United States Forest Service, Oregon Department of Forestry, and Klamath Falls City Parks.

Kiger Association: Historic Kiger Stadium with Clem Bradbury Field continues to be a viable event center for Klamath Falls. Operating primarily as a baseball stadium since 1948 it has seen its fair share of players from all age groups play, learn sportsmanship, become a team player, and create friendships to last a lifetime.



Henley High School AFJROTC Cadets and members of local Veterans Service Organizations participate in a 2012 Memorial Day Remembrance Ceremony at Veterans Memorial Park.



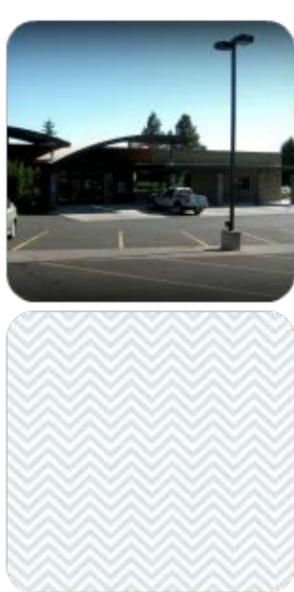
Thanks to the Klamath Historical Society (KHS) a historical marker to unknown victims of the Houston Hotel Fire was purchased and placed at the historic Linkville Pioneer Cemetery.



Sanford Pediatric Clinic: In early October the new Sanford Pediatric Clinic opened for business. The approximately 21,000 square foot building was constructed on a formerly undeveloped property near the corner of Daggett Street and Clover Street. The Sanford Clinic will occupy the upper floor of the building and other medical offices will occupy the lower floor.



Pilot Travel Center: In 2012 a new Pilot Travel Center was constructed on the site of the old Mollie's truck stop and restaurant. The new facility includes a convenience store, Subway restaurant, and fueling facilities for large trucks, passenger vehicles, and RVs.



Veteran Affairs Medical Clinic: In 2012 the former Market Basket grocery store space in the Campus Square shopping center was renovated and remodeled to become the new home of the Veteran Affairs Medical Clinic. The renovation included extensive interior remodeling, an exterior face-lift, and new sidewalks around the property.

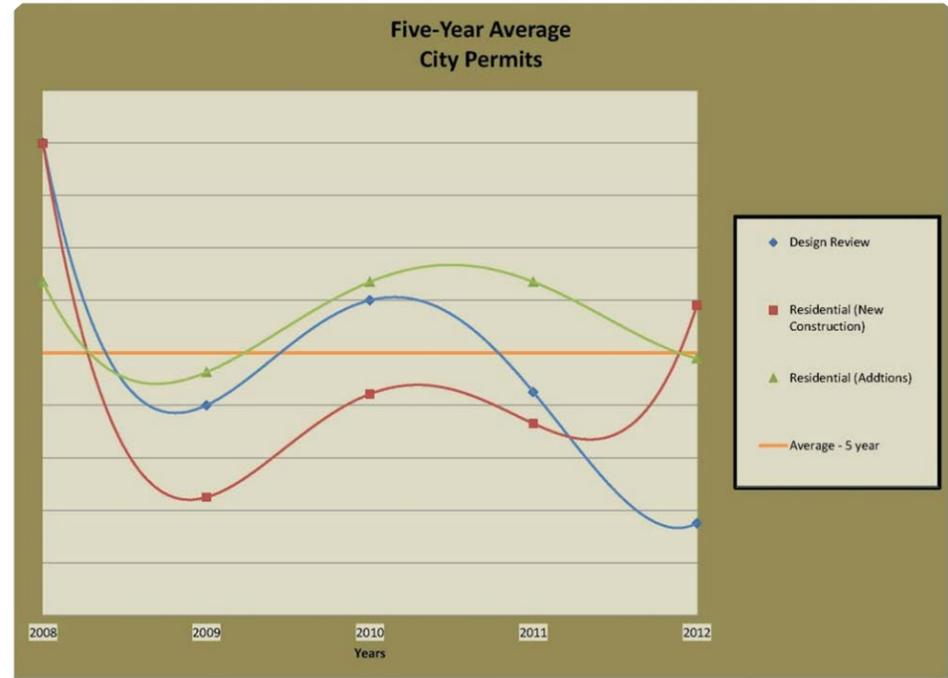
**Development within the City
Application Comparison 2012 to 2011**



The Community Development Department oversees the Planning Division, which offers a variety of services that preserve and enhance the quality of life for those who visit, live and work in our community. The Department guides the physical development of the City of Klamath Falls in a manner that encourages sustained growth and protects the character of the community. The Department is responsible for the City's current land use development issues, long range planning strategies, architectural preservation, and regulatory enforcement. The Planning Department prepares and administers plans, policies and regulations with Federal and State laws.

Enhancing the quality of life for those who visit, live and work in our community.

PLANNING



- Downtown Picture Search Rules**
1. Match the pictures to the real thing. All items pictured can be seen by walking between the 300 and 1100 blocks of Main Street.
 2. Identify the exact location of each picture: describe location, street address, name of building or structure, etc...
 3. Include your name, address, and email with your entry.
 4. Send one entry per household to City of Klamath Falls Planning Dept., PO Box 237, Klamath Falls, OR 97601
 5. The first 25 correct entries will receive a prize.

CODE ENFORCEMENT

The prevention, detection, investigation and enforcement of violations of statutes or ordinances regulating public health, safety, and welfare, public works, business activities and consumer protection, building standards, land-use, or municipal affairs



Photo 1: Trimming any trees in the right-of-way requires a permit (no fee) to insure the trees are properly pruned (this tree was not).

Photo 2: The City's graffiti program is still in place. Code Enforcement provides a voucher for a free gallon of paint to controllers of 'tagged' properties within the City.

Photo 3: Dry grass and weeds are a fire hazard and must be dealt with by property owners in a timely manner to maintain a safe city.

Photo 4: It is the property owner's responsibility to fix safety issues like this on the sidewalks adjacent to their property.

Photo 5: Believe it or not, citizens are allowed to have chickens in the City Limits – just not roosters!

Photo 6: Property in the City must be maintained in an orderly fashion; accumulation of junk in yards is not permitted.

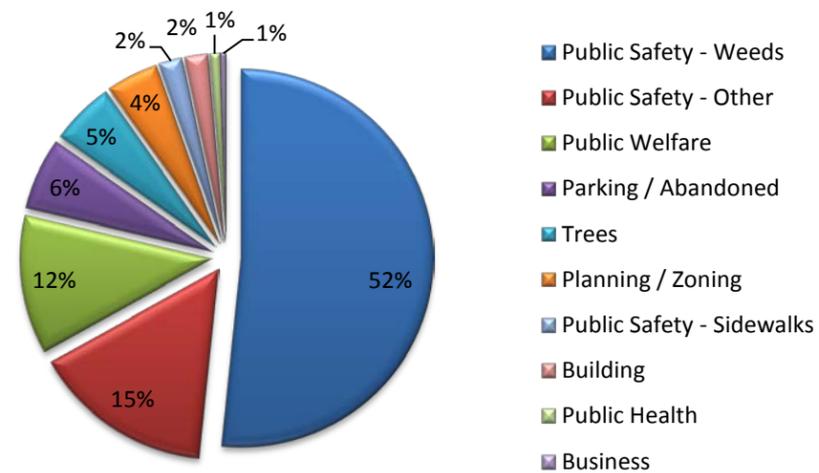
Photo 7: The August 5th storms caused significant damage to trees throughout the City.

BUSINESS LICENSES

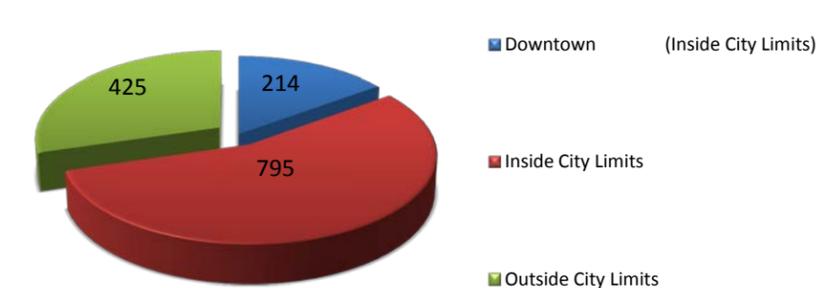
City Business Licenses are required to do business or provide services, etc. within the city limits.

- All businesses operating within the City limits of Klamath Falls are required to obtain and maintain an active City Business License.
- As of November 1, 2012 there were 1,434 active City Business Licenses.
- 223 new Business License applications were submitted during the period January 1, 2012 to November 1, 2012.

Code Enforcement Cases (12 months)



Business Licenses (11 months) Physical Business Location



AIRPORT

The Klamath Falls Airport provides commercial airline service with Sky West, as well as general aviation facilities.

The Klamath Falls Airport has been a very busy place during 2012. Both Airport and Air National Guard Projects have been the focus of effort at the Airport. During the spring, the City led by then City Manager Rick Whitlock, City Attorney Joanna Lyons-Antley and Litigation Attorney Dan Gragg, the contractor Knife River, and engineer Mead and Hunt entered into a settlement of issues. From this agreement, in June Knife River began repaving Runway 14-32. This was a major project during which substandard pavement was replaced by new pavement.

Knife River has done an excellent job with this pavement project. Mead and Hunt provided able project management. Many effective hours of tireless project leadership have been provided by Operations Manager Bill Hancock, Operations Specialist Sam Pagan, and Operations Specialist Mike Barkley to assure a high quality result. They were ably supported by inspectors Willie Thornton, Kerry Seifert, and Jack Scott.

What makes the project a great success is that it was done while the F-15s continued to fly and airliners continued to land with Klamath Falls passengers. For major projects of this type in the past, the jets relocated. This year Klamath Falls asked that they stay in the community. Not only are they, their pilots and staff important Klamath Falls citizens, but because they provide significant economic benefit for the community.

During 2012 the Airport Futures Group led by Toby Freeman and Chip Massie completed its 16 month consideration of future factors for the Airport. A key finding was the financial impact the Airport has for the Klamath County Region. Citing a report from the State Department of Aviation, the regional impact is about \$440,000,000. This is a large portion of the regional economy and an important factor for maintaining the financial and operational health of the Airport. The Airport Futures Group has recommended to the City Council that approaches which spread the cost to those who benefit from the Airport should be fully considered, including a port district arrangement in Klamath County.

Air service continues as an important Airport service. In 2012 the early morning departure and late evening arrival schedule was set. In challenging financial times it is critical that each scheduled flight on average, makes a profit. Klamath Falls has during 2012 been able to sustain air service in a very difficult market place without requiring a substantial air service subsidy. During 2012, the Air Service Partnership lead by Chamber of Commerce Executive Director Chip Massie has continued to seek avenues to promote and sustain air service for the Klamath Falls community.

During 2012 Kingsley Field was selected as one of the three Air National Guard installations in the United State to participate in a Public-Public, Public-Private Partnership program. This activity fully involved the community. The Klamath Falls Airport fully participated and out of the effort specific partnership projects are now being implemented. These include education, energy, and governmental efficiency programs. The critical factor for the P4 effort is to make Kingsley Field and the Klamath Falls Airport as efficient as possible, protecting it against potential future realignments. General and corporate aviation has been an important factor for Klamath Falls Airport since its establishment in 1931. Though general aviation nation-wide has declined a dedicated community continues to fly out of Klamath Falls. To emphasize general aviation's role in Klamath Falls, Linda Tepper along with the Experimental Aircraft Association local chapter presented a fly-in and car show. The activity attracted many local residents and also aircraft from around the region.

Klamath Falls Airport has maintained its critical role in the Klamath Basin during 2012 as an important national Air Guard training facility, as a departure and destination point for critical air service and as a center of U.S. Forest Service, commercial, private, and agricultural aviation.

The mission of the Human Resources Department is to support the goals and challenges of the City by providing services which promote a positive work environment that is characterized by fair treatment of staff, open communication, personal accountability, trust, and mutual respect.

HUMAN RESOURCES

Human Resources had many accomplishments during 2012. We facilitated multiple successful recruitments, increased the safety of our employees and patrons, and strengthened the rCity Values Program, all while continuing to assist the 150+ employees that serve the City of Klamath Falls community. The Department facilitated the recruitment of nine new employees, five promotions/transfers and began an extensive recruitment process for a new City Manager. We welcome and congratulate all the employees on their new positions.

- In September, with the help of Slavin Management Consultants, the City began a nationwide recruitment to find top qualified applicants to become Klamath Falls' next City Manager.
- The Administration building has a new "look" to it in 2012 with a new security camera system for the building exterior, Municipal Court Area, and the Court Room. Thanks to the assistance of a City County Insurance Services grant program, both City employees and visitors can conduct business more securely with this increased safety measure.
- The rCity Values Program expanded this year to include a Ride-a-Long Program and a recognition luncheon. The Ride-a-Long Program gave Values Team members the opportunity to get a glimpse of what other departments/divisions within the City do and report back to the rest of the City employees, via the City Employee quarterly newsletter. The Airport and Police Departments, along with the Wastewater, Maintenance and Engineering Divisions all participated in the Ride-a-Long Program. Thank you to all the employees who helped in this program.
- 44 employees were nominated by their co-workers in 2012 for rCity Values awards for going above and beyond their normal job duties. In addition to receiving a small thank you gift, the Values Team implemented a new program "Lunch with the City Manager" for all nominated employees. Three lunches were organized with twenty-six employees taking advantage of the opportunity to meet with, candidly ask questions of, and get to know their City leader. It also gave employees the opportunity to get to know employees from other department/divisions.

Photo Courtesy of TSgt Jefferson Thompson of the ANG



LCFA

MAINTENANCE

The Maintenance Division provides maintenance services throughout the City. In addition to their electrical, plumbing and carpentry expertise, they perform a wide variety of repairs and preventative maintenance for all City Divisions.

Top Row, Left to Right: Ken Driessen and Bruce Sorlien set a new traffic signal pole at the corner of South Sixth and Main Streets. The Maintenance Division responds to a number of major vehicle related repairs per year. Most of our traffic related incidents involve street lighting poles, traffic signal poles, pedestrian crossing poles, and pedestrian crossing indicators.

Steven Blum performs a repair to the chlorination injection system at the Conger Well Field. The Maintenance Division assists the Water Division with many major repairs to pumps, motors, variable frequency drives, starters, programmable logic controllers, electrical components, on-site generators, the Supervisory Control and Data Acquisition (SCADA) system and emergency alarming systems. The Maintenance Division also has a preventative maintenance program in place for the water system operations. Preventative maintenance programs have aided the Water Division with fewer breakdowns of critical equipment at numerous sites within the City and outlying areas.

Maintenance crew member Kirk Sipes repairs a leaking geothermal valve that is associated with the heating system at City Hall. The City Hall facility is heated by radiant wall units with geothermal water

that is circulated throughout the building. The Maintenance Division assists the Water Division in maintaining the City Geothermal System for the downtown district heating loops from the ground up. Beginning at the well houses, the hot water is taken from the ground, where it is then pumped to the Heat Exchanger building behind the Klamath County Museum. The water is then directed throughout the district loop to provide heat to customers as well as building heat for City facilities such as the City Annex, City Hall and the City sidewalk snow melt systems.

Ray Miller and Bruce Sorlein disassemble an obsolete motor control center at the California Lift Station to make room for a new discharge pipe associated with the California Force Main Project. This is just one of the many projects that the Maintenance Division assists the Waste Water Division with annually.

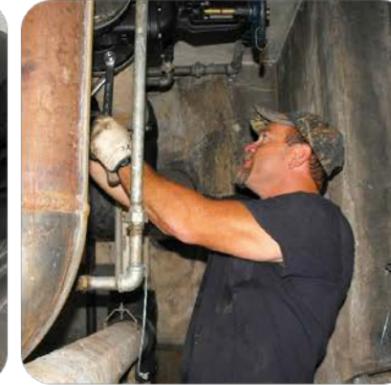
Maintenance crews respond to a motor vehicle related incident in where a motorist collided with a pedestrian walk/don't walk signal at Washburn Way and South Sixth Street. Repairs were made within two hours of the incident, ensuring that pedestrians could safely cross this busy intersection. The Maintenance Division is responsible for maintaining and making repairs to over 27 intersections in our coverage area. Inspections on all intersections are performed annually to make certain that all associated hardware and software are functioning as they should.



Ken & Bruce



Steve



Kirk



Ray & Bruce



Pedestrian Signal Repair at Washburn Way & South Sixth Street



This year the Information Systems Department had the opportunity to upgrade the server room with new wiring, tile and a fresh coat of paint. The picture (right) depicts the work in progress of the network operations center.

INFORMATION SYSTEMS

The Information Systems Department is responsible for desktop computing systems, associated networking equipment and a centralized Executive Information System running multiple applications.

The Information Systems (I.S.) Department provides ongoing support and maintenance of the City's many application programs. In addition, the I. S. staff provides maintenance, repairs and upgrades of the City's computer equipment. The department also supports the phone system.

The I.S. Department is in the final stages of implementing Sungard's GovNow program which will allow Business License, Code Enforcement, Accounts Receivable and Utility Billing customers to view and pay their statements online. The program will also allow Municipal Court tickets that do not require a mandatory appearance to be paid online.

Our Technology Team, with representatives from each department reviewed options for upgrading our core software programs and chose to migrate to Sungard's ONESolution software programs. We feel that this choice represents the most cost effective and efficient use of City funds. The new programs will provide our City departments with more functionality and ease of use in the future. This will be a multiyear project for the Information Systems department that we are looking forward to starting in 2013.

WATER & GEOTHERMAL

The Water Division provides water to over 40,000 urban area residents of the Klamath Basin

Bottom Row, Left to Right:

- Alan operating hydro-excavation equipment
- 2nd and Main Street sidewalk snowmelt
- Andy recording daily production well meter readings
- Byron and Matt programming radio read meters
- Byron operates a backhoe to support a 12-inch waterline
- Byron repairing a water meter

Right, Top to Bottom:

- Contractor lowering new pipeline into trench
- Contractor installing new mainline on Altamont
- Conger Well #9
- Chris installs a new meter
- Byron standing by while a 12-inch waterline is being supported

Conger Well Field



It is the responsibility of the City of Klamath Falls Water Division to provide a reliable and safe drinking water supply to nearly 40,000 customers throughout the Klamath Falls area. Division staff oversees the operation and maintenance of 22 water reservoirs (tanks) storing up to 18 million gallons of potable water, 32 water pumping facilities and more than 250 miles of water mainlines including over 1000 fire hydrants within the service area.

During 2012 approximately 2.4 billion gallons of water was pumped from the 11 City owned potable water wells. During the year the average daily water demand was 6.6 million gallons and a maximum summer day demand of over 13 million gallons of water.

The Division is also responsible for the operation and maintenance of the City's geothermal heating system. The system provides heating service to 23 commercial, government and non-profit facilities located in the downtown area. The system also provides sidewalk and bridge snowmelt service on Main St., the Esplanade St. Bridge, the Wall St. Bridge and Timbermill Shores including the Veteran's Memorial at Veteran's Park.

Water Quality

The top priority for the Water Division is to provide the highest quality drinking water possible. Staff samples and monitors the water quality throughout the water system daily. Nearly 2,500 water quality samples were collected in 2012 and analyzed for microbiological, organic and inorganic contamination. Our compliance with all state and federal drinking water standards remains exemplary and as drinking water regulations continue to become more stringent, our City water consistently exceeds all water quality standards and guidelines.

Radio Read Water Meters

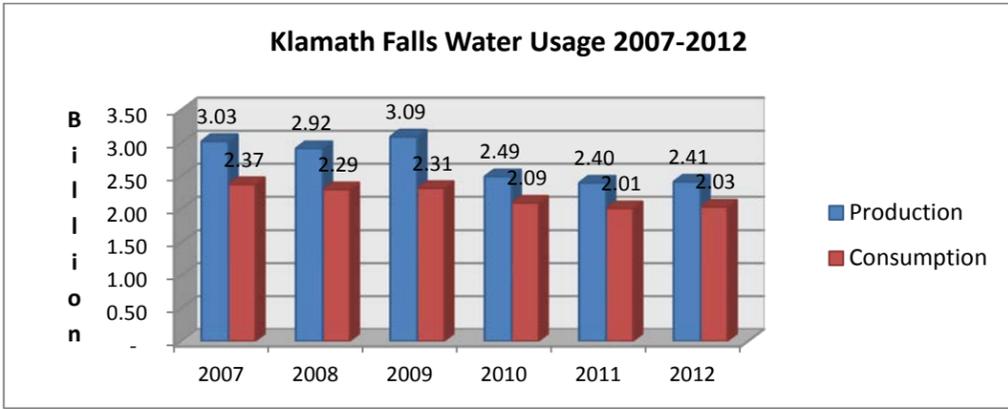
The Water Division continues to replace old inaccurate water meters and install radio read meter transceivers. These efforts are aimed at water conservation and water loss reduction and prevention by using improved technology and practices to deliver equal or better service with less water. Reducing non-revenue water loss reduces the costs of producing and pumping water. An additional benefit to using radio read meters are that meter reading times have been cut by approximately 95% requiring less staff time and as the meters can be read remotely, reducing gasoline and vehicle maintenance costs.

Water Conservation

The City of Klamath Falls Water Division continues to promote conservation of our precious water resource. The Division maintains unaccounted for water loss reduction programs such as the water leak detection/repair program and a water meter replacement/upgrade program. By maintaining meters, water is measured more accurately and the corresponding revenue received for the water service. In fact meters used just a few years ago measured as little as 0.25 gallons per minute, whereas the meters used today will accurately measure as little as 0.03 gallons per minute. Also through a public education program the Division encourages our customers to use water wisely and to regularly check for leaks around the home.

Capital Improvement

During 2012 The Water Division replaced over 6,600 feet of substandard water mainline through contracted services. These waterline replacement projects include Altamont Drive, Mack Street, Bisbee Street and the Main Street/Link River Bridge. By replacing old and undersized water mainlines the Division is able to provide fire protection service or fire hydrants where there were previously none and eliminate unaccounted for water losses.



Routine water sample prepared for bacterial analysis



Bottom Row, Left to Right:

- Robbie working hard on waterline maintenance
- Robbie installing radio read meter
- New hydrant where previously there was none
- Matt repairing a serviceline leak at the Airport
- Matt bringing the tools
- Leak repair clamp installed on a geothermal mainline

Right, Top to Bottom:

- Jose and Terry excavating a mainline leak
- Jose digging out a serviceline for maintenance
- Jose repairing a water mainline leak
- Jose, Matt and Alan installing a new water service
- Larry installs a new production well meter

FLEET SERVICES

The Fleet Services Shop maintains and repairs all of the City's vehicles and heavy equipment

The average age of the Fleet is 10 years and is maintained and repaired by two ASE certified Mechanics. The shop maintains up-to-date and accurate records on 275 vehicles and equipment to ensure that service and repairs are done in a timely manner. Regular service and prompt repairs extend the useful life of the assets and reduces operational costs.



James repairing an Airport Dump truck



Joe making repairs

The Engineering Division provides professional services and consultation to various City departments/Divisions and the general public

ENGINEERING

Top Right
Ray reviewing a set of private development plans. This is just one of the 14 private development plans reviewed this year. In addition to plan reviews the City reviewed and inspected over 100 site construction permits. These permits consisted of work done by other franchises such as Avista and QWEST as well as residential and commercial applications.

The City of Klamath Falls Engineering Division provides a wide array of services to both the residents of Klamath Falls and other City departments and Divisions. Engineering is responsible for overseeing the design and construction administration of the capital improvement projects requested by other City departments/divisions. This year, Engineering performed services for the Water Division, Waste Water Division, and Parks Division.

Over the past year, numerous projects/tasks were performed by Engineering Division staff ranging from legal research of public rights of way, City utility availability, pre-application meetings, administrative reviews, engineering plan reviews, traffic studies, performance bond documents, permit process, construction inspection, warranty bond documents, as-built drawings, to project completion and acceptance. Some of those developments also included property line adjustments, along with land partitions/subdivision/condominium plats as a requirement of their land use application. A key project that we worked on this year was the Sanford Children's Clinic, which encompassed many of those project elements. The team also performed the duties of Project Manager and Inspector on Capital Projects such as multiple phases of the Lake Ewauna Trail Project, City Water Division Water Rights Updates, Wastewater GPS Data Collection, etc.



Right
Dale inspecting contractor operations on the Altamont Water Line Replacement Project. This project replaced 2800 lineal feet of 4-inch water main with new 12-inch ductile iron.



Bottom Right:
Jeff working on updating the City's GIS system. The City's GIS system is an interactive map where any person can see locations of City utilities, Council Wards, City limits and parcel information on a high resolution aerial. This interactive map went live via the City's website this year.

STREETS & EQUIPMENT

The Street Division's top priority is to maintain the City's rights-of-way in a safe condition for the public

The City of Klamath Falls Street Division's top priority is to maintain the city's right-of-ways in a safe condition for the public, maintaining 146 centerline miles and 301 travel lane miles. Klamath County provides the Street Division with a share of timber receipts that assists us with the daily maintenance efforts and also major street project funding that will benefit the entire community. In an effort to keep the city's infrastructure in a safe and usable condition, the following maintenance operations are scheduled during the summer months: overlays, crack sealing, pothole repair, utility cut repair, concrete repair, street striping, and project inspection. Street sweeping and sign maintenance are generally performed year round as weather permits.

In the winter month's snow and ice removal is the number one priority for the Street Division. Typically snow removal and snow hauling takes a large portion of available man-hours. When weather permits street crews continue to make repairs on streets utilizing cold and recycled asphalt mix for repairs, dealing with drainage, cleaning and repairing of open ditches and working on the day to day repairs that are necessary to provide roadway safety.

California Ave. at Conger School Grind and Inlay Project



Before After

North 11th Street Grind and Inlay Project



Before After

Hot Mix Asphalt (HMA) is used during the paving season, in the 2012 season, Street crews placed approximately 1,453 tons, 622 tons were used in the maintenance overlays with the remainder being used for pothole patching, utility cut repairs and various skin patching throughout the City.

Eberlein Ave. Maintenance Overlay



Before During Completion of shoulders

Martin Street Maintenance Overlay



Perry rolling the mix Street crew completing the panel

Utility Cut Repairs



Street crew members patching a utility cut and ADA replacement

Special Projects



1,800 feet of Lake Ewuana Trail

Guard rail replacement



Street crews re-locating a storage shed for the Parks Dept.

Ed prepares for sand blasting.

Street Sweeping, Signs and Street and Striping



Dan sweeping

Joe repairing a sign

Street striping

The Street Division, weather permitting and available man power, operates two Regenerative air Sweepers cleaning 4,025 gutter miles and removing 1,356 yards of debris. The Sign shop repaired or replaced over 250 signs, posts and inserts; 125 of those were due to vandalism. Street striping consists of: cross walks, school zones, parking 'T's yellow curbs and main line striping. Our totals were 1,700 gals of white and 1,400 gals of yellow.

The Wastewater Division provides services to nearly 28,000 City of Klamath Falls residents and Klamath Basin area customers

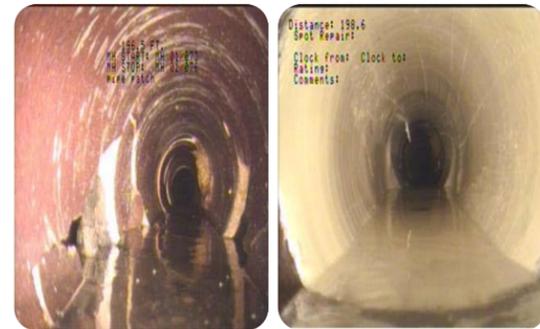
WASTE WATER

Collections system staff continually monitor sewer systems conditions via the use of a closed circuit robotic camera system. This system allows operations to evaluate the sewer systems condition, investigate problematic areas, and schedule necessary repairs. Staff cleans approximately 70,000-100,000 feet of sewer line each month.



Collections staff recently acquired a Cured in Place Pipe Patch system. This allows staff to make an underground pipe repair without having to interrupt sewer service or dig the system up.

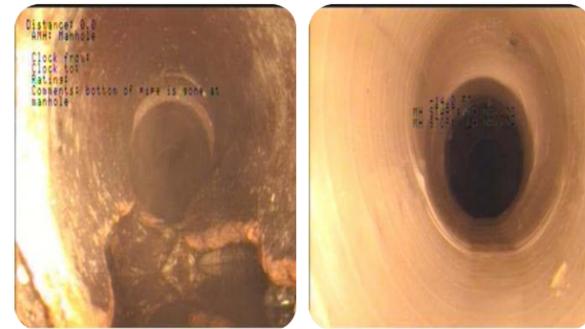
4TH and Main Street



Before

After

Delta and Alley



Before

After

The treatment plant treats approximately 3 million gallons of wastewater per day. The water is then pumped to Pacific Klamath Energy where it is used for cooling. Un-evaporated cooling tower blowdown is then sent back to the treatment plant where it is de-chlorinated and discharged into the Klamath River.



Compost Operations processes and distributes approximately 250-300 yards of Class A biosolids to the public each month.



Industrial Pretreatment Coordinator Randy Chastain pouring wastewater samples for water quality analysis. The Pretreatment program works with industrial users of the wastewater system emphasizing pollution reduction, water conservation, and strives for consistent compliance with State and Federal regulations.



Constructed in the mid-1950s, the influent pump station and primary sedimentation basins are among the oldest portions of the treatment plant and the first to be considered for upgrades. Most of the equipment within this portion of the treatment plant is among the original equipment installed in the mid-1950s.

Worn influent pump impeller in need of major repair or replacement at the Wastewater Treatment Plant



Below: Treatment plant operator Ron Milligan performing a condition assessment in the primary sedimentation basin. Portions of treatment plant processes are taken out of operations on a regular basis for condition assessments. Maintenance and/or repairs are scheduled and completed in a timely manner in order to get the equipment back online.



Wastewater Treatment Plant staff members Ron Milligan and Terry Hinzman leading a tour of the facility for a group of OIT Students. Wastewater Division Staff continually strive to educate the public about what takes place within the wastewater treatment processes, and the challenges faced in day to day operations.



The goal of the Klamath Falls Police Department is to serve our community in a professional and efficient manner

We strive to provide superior police services for the Klamath Falls area with innovative and new ideas to better serve our community. Current police services must evolve to the ever changing times in society, and the Klamath Falls Police Department is always looking for better ways to address the problems in our city.

The Klamath Falls Police Department continues to move forward in 2012. Even during uncertain economic times, the police department had been able to sustain our current staffing level. There were a number of promotions and hiring of one new patrol officer because of retirements and attrition. These promotions include Lieutenant Ryan Brosterhaus, Sergeant Aaron Thomas, Sergeant Morrie Smith, and Corporal Gregg Wheat. Officer Jesse Snyder was selected as an entry level patrol officer after a rigorous selection process. Officer Snyder also was a former reserve officer for the department before being hired for a full time position.

The Patrol Division leads the way for public safety in the community. Patrol Officers respond to a variety of calls for service to include civil matters up to major crimes. Patrol Officers are the first on scene and are responsible for making split second decisions for the safety of all involved, while maintaining a professional demeanor and being mediators for the resolution of the conflict. The Patrol Division has responded to over 30,000 calls for service this year, taken approximately 3000 written reports, and approximately 2100 of these written reports were cleared by arrest and / or citation. Another patrol officer's duty is traffic enforcement. Patrol Officers responded to 681 motor vehicle crashes and conducted over 700 traffic stops in 2012.

K-9 teams are assigned to every patrol squad and are responsible for a number of details to include normal patrol duties, article and suspect search / apprehension, and drug interdiction. K-9 units also respond to outside assists for the Klamath County Sheriff's Office and Oregon State Police to assist in drug interdiction enforcement and other search details for our region. K-9 "Achilles" has retired from service this year and Officer Bill Warner recently returned from K-9 training with his new K-9 partner "Aries".

The Klamath Falls Special Weapons and Tactics (S.W.A.T.) Team provides assistance county-wide when a situation arises that exceeds the capabilities and equipment of standard police patrol resources. The team is comprised of officers from this agency and Klamath County Fire District #1. The Klamath Falls Police Department maintains command and control of the team. There have been past members from the Klamath County Sheriff's Office but none currently. The main objective of the team is to take control of situations where the life of a citizen or officer may be in jeopardy. The primary goal is to effectively apprehend or render a situation safe without the use of force, whenever possible.



The Klamath Falls Police Department operates with a philosophy of community policing coupled with heightened customer service



The Detective Division of the Klamath Falls Police Department is tasked with pursuing criminals that commit violent crimes and habitual offenders. The Klamath Falls Police Department Detective Division continues to be an active member of

Major Crime Team. The Klamath County Major Crime Team is comprised of detectives from our agency, the Klamath County Sheriff's Office and the Oregon State Police. The Klamath County Major Crime Team is responsible for the investigation of all major crimes or crimes that significantly affect the safety of residents throughout Klamath County. The Detective Division Street Crimes Unit consists of two detectives who conduct drug and property crime investigations and are sometimes tasked to assist the Klamath County Sheriff's Office with these investigations outside the city jurisdiction.

The Klamath Falls Police Reserve and Explorer Programs continue to be a vital program to the community. Membership fluctuates in these programs as reserve officers often move toward fulltime law enforcement employment.

These Reserve Officers and Explorers are utilized in a multitude of assignments including; downtown patrol, parades and many other special events. The Reserve and Explorer Programs remain an essential component of the police department providing substantial hours at minimal or no expense to the department.

Community Watch promotes an interactive program of crime prevention between citizens in the community and the Klamath Falls Police Department. Klamath Falls citizens are encouraged to attend Community Watch meetings that are generally held on the last Thursday of each month in the Klamath Falls Police Department located at 2501 Shasta Way from 6:30 p.m. to 7:30 p.m. Citizens are encouraged to contact Lt. Rob Dentinger at 883-5342 to obtain further information about the Community Watch program.

POLICE



The 2012 Shop With a Cop Program was a success! It was an evening where State, County and City Law Enforcement joined together to provide an evening of positive interaction with children from our community thanks in large part to donations from local businesses, private citizens and a large grant from Walmart.





NEW FACILITY

As of May 21, 2012 the Finance and Utility Billing Departments relocated to their new facility located at 222 South 6th Street. This new facility features covered drive up access for convenient payment drop off via the Walnut Drive entrance, walk-in access, full ADA access on both floors of the building, and geothermal heated sidewalks for convenient year-round pedestrian accessibility.

FINANCE

The Finance Department is the hub of all financial activities for the City. The financial integrity of our City government is of utmost importance.

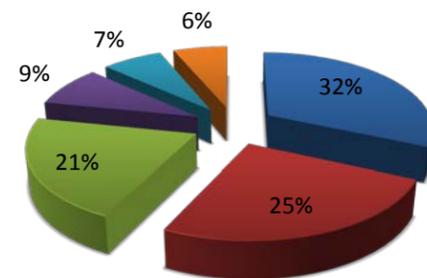
FINANCIAL SUMMARY

There are various sources of funding to support the operations of the City of Klamath Falls in order to provide public safety, general governmental operations, highway and street operations, airport operations, culture and recreation, and growth through urban renewal to our citizens. Funds include property taxes, state and federal grants, state revenue sharing, franchise fees, charges for services fines and forfeitures, investment income and other miscellaneous funds.

2011-2012 Unaudited Expenditures

***Note: Data excludes Water and Wastewater Funds.**

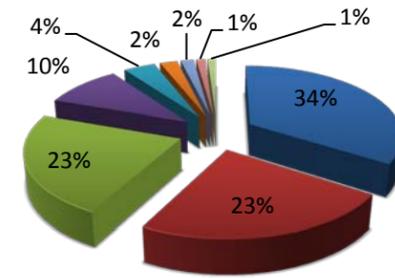
- Public Safety - \$6,862,936
- General Government - \$5,507,191
- Highways and Streets - \$4,557,460
- Airport - \$1,849,490



2011-2012 Unaudited Revenues

***Note: Data excludes Water and Wastewater Funds.**

- Taxes - \$7,507,727
- Charges for Services - \$5,134,894
- Intergovernmental - \$4,984,594
- Franchise Fees - \$2,120,371
- Miscellaneous Revenue - \$863,184
- Fines & Forfeitures - \$471,487



GENERAL FUND AND URBAN RENEWAL FUNDS

The money to pay for the City of Klamath Falls' General Fund services comes mainly from property taxes and charges to other funds and departments within the City for services provided. Those two items represent 60% of the General Fund resources. The General Fund also had a carryover from the prior year of a little more than \$4,080,000 which is available to pay for City services. The Urban Renewal Funds revenue comes from the taxes collected on properties within the District boundaries, while the rest of the funding comes from borrowings.

General Fund expenses are primarily used for public safety. Police, Code Enforcement, and Municipal Court operations account for 59% of the appropriations. Close to 20% of the appropriations are being held in reserve for potential emergencies. The three Urban Renewal Districts spend their money on projects on projects identified in their individual Urban Renewal Plans.

AIRPORT FUND

The Airport Fund operates the City's Airport, both civilian and military interests. Revenue mainly comes from City property taxes and the rental activities at the Airport. Because of the commercial flights at the Airport, the Federal Aviation Administration (FAA) contributes significant funds to keep the runways and taxiways in top-notch condition.

PARKS FUND

The Parks Fund encompasses the Culture and Recreation of the City. The funding comes from property taxes, a water assessment fee and Hotel/Motel taxes. This Fund is responsible for the maintenance and upkeep of over 600 acres of Parks property to enhance the citizens' quality of life.

OTHER FUND

The remaining funds enable us to maintain our streets and highways and provide water and wastewater services. In addition to other City operations

SUMMARY

Revenues:	\$ 21,907,958	Expenditures:	\$ 21,632,655
Transfers In:	2,836,477	Tranfers Out:	2,597,824
Extraordinary Item:	500,000		
Beginning Fund Balance:	<u>17,913,320</u>	Ending Fund Balance:	<u>18,927,276</u>
	\$ 43,157,755		\$ 43,157,755

Change in City Fund Balance: \$ 1,013,956



City of Klamath Falls, P.O. Box 229, Klamath Falls, OR 97601 - 541.883.5316

<http://ci.klamath-falls.or.us>