



CITY OF SWEET HOME CITY COUNCIL AGENDA

February 08, 2022, 6:30 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

WiFi Passcode: guestwifi

PLEASE silence all cell phones – Anyone who wishes to speak, please sign in.

Mission Statement

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.

Meeting Information

The City of Sweet Home is streaming the meeting via the Microsoft Teams platform and asks the public to consider this option. There will be opportunity for public input via the live stream. To view the meeting live, online visit <http://live.sweethomeor.gov>. If you don't have access to the internet you can call in to 541-367-5128, choose option #1 and enter the meeting ID to be logged in to the call. Meeting ID: 473 954 605#

This video stream and call in options are allowed under Council Rules, meet the requirements for Oregon Public Meeting Law, and have been approved by the Mayor and Chairperson of the meeting.

I. Call to Order and Pledge of Allegiance

II. Roll Call

III. Consent Agenda:

- a) Approval of Minutes:
 - i) [2022-01-25 City Council Meeting - ES \(pg. 3\)](#)
 - ii) [2022-01-25 City Council Meeting - WS \(pg. 5\)](#)
 - iii) [2022-01-25 City Council Meeting Minutes \(pg. 7\)](#)
 - iv) [2022-02-01 City Council Minutes - SP \(pg. 11\)](#)

IV. Recognition of Visitors and Hearing of Petitions:

- a) Government Portfolio Advisors Investment Presentation

V. New Business:

- a) [Request for Council Action – Appointment of Manager Pro Tem \(pg. 14\)](#)
- b) [Request for Council Action - Annual Adoption of City Investment Policy \(pg. 17\)](#)

VI. Old Business:

- a) [Request for Council Action - Lease Agreement with FAC for Managed Outreach and Community Resource Facility \(pg. 56\)](#)

The location of the meeting is accessible to the disabled. If you have a disability that requires accommodation, advanced notice is requested by notifying the City Manager's Office at 541-367-8969.

VII. Ordinance Bills

- a) Request for Council Action and First Reading of Ordinance Bills
 - i) [Request for Council Action – Lumen \(formally Centurylink\) Franchise Agreement \(pg. 66\)](#)
- b) Second Reading of Ordinance Bills
- c) Third Reading of Ordinance Bills (Roll Call Vote Required)
 - i) [Ordinance Bill No. 1 for 2022 - Sweet Home Ordinance Amending Certain Sections of SHMC Chapter 15.01 Administration and Enforcement - Building Code and SHMC Chapter 15.03 Various Codes with Expediency Clause \(pg. 80\)](#)

VIII. Reports of Committees:

- Ad Hoc Committee on Health
- Administrative and Finance/Property
- Area Commission on Transportation
- Chamber of Commerce
- Charter Review Committee
- Council of Governments
- Legislative Committee
- Library Advisory Board
- Park and Tree Committee
- Solid Waste Advisory Council
 - i) [Opportunity to Recycle Report \(pg. 82\)](#)
- Youth Advisory Council

IX. Reports of City Officials:

- Mayor's Report
- City Manager's Report

X. Department Director's Reports (1st meeting of the Month)

- Library Services Director
 - i) [Sweet Home Public Library Monthly Report for January 2022 \(pg. 94\)](#)
- Community and Economic Development Director
 - i) [CEDD Monthly Report January 2022 \(pg. 96\)](#)
- Public Works Director
 - i) [Public Works Monthly Report January 2022 \(pg. 100\)](#)
- City Attorney

XI. Council Business for Good of the Order

XII. Adjournment



CITY OF SWEET HOME CITY COUNCIL EXECUTIVE SESSION MINUTES

January 25, 2022, 5:00 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

WIFI Passcode: guestwifi

PLEASE silence all cell phones – Anyone who wishes to speak, please sign in.

Please sign in if you wish to speak as Executive Sessions are not open to the public.

Meeting Information

Call to Order

The meeting was Called to Order at 5:00 PM.

The Pledge of Allegiance was recited.

Roll Call

PRESENT

Mayor Greg Mahler
President Pro Tem Diane Gerson
Councilor Dave Trask
Councilor Lisa Gourley
Councilor Susan Coleman (absent)
Councilor Angelita Sanchez
Councilor Dylan Richards

STAFF

City Manager Ray Towry
Public Works Director Greg Springman
Administrative Service Manager Julie Fisher
Finance Director Greg Springman
City Attorney Robert Snyder

Grant Degginger, Attorney with Lane Powell

MEDIA

Benny Wolcott, The New Era

Mayor Mahler read the Executive Session Announcement.

The Sweet Home City Council will now meet in Executive Session as authorized by ORS 192.660 (2) (h) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Representative of the news media and designated staff are allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session.

The location of the meeting is accessible to the disabled. If you have a disability that requires accommodation, advanced notice is requested by notifying the City Manager's Office at 541-367-8969.

City Attorney Robert Snyder added the Sweet Home City Council will now meet in Executive Session to consider and discuss advice provided by legal counsel.

The executive session is held pursuant to ORS 192.660 (2) (f), which allows the Council to meet in executive session to consider information or records that are exempt by law from public inspection.

The Council discussed matters with legal counsel which are privy to Attorney Client Privilege.

There were no decisions made during the Executive Session.

Adjournment

The meeting adjourned at 5:47 PM.

Mayor

ATTEST:

City Manager Pro Tem – Ex Officio City Recorder



CITY OF SWEET HOME CITY COUNCIL MINUTES

January 25, 2022, 5:45 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

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Call to Order and Pledge of Allegiance

The meeting was called to order at 5:50 PM.

The Pledge of Allegiance was recited.

Roll Call

PRESENT

Mayor Greg Mahler
President Pro Tem Diane Gerson
Councilor Dave Trask
Councilor Lisa Gourley
Councilor Angelita Sanchez
Councilor Dylan Richards

ABSENT

Councilor Susan Coleman

STAFF

City Manager Ray Towry
Finance Director Brandon Neish
Community and Economic Development Director Blair Larsen
City Attorney Robert Snyder
Public Works Director Greg Springman
Administrative Services Manager Julie Fisher

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MEDIA
Benny Wolcott, The New Era

Old Business:

a) Property Discussion

The Council discussed with staff options to address Linn County regarding the sale of the property formally known as the Mill Property. The Council has concerns that a potential buyer may not have the desire or ability to continue the environmental clean up parts of the property needs.

The Council agreed by consensus to send a letter to Linn County requesting a Perspective Purchasing Agreement (PPA) on the property prior to any sale.

New Business:

None

Adjournment

The meeting was adjourned at 6:26 PM.

Mayor

ATTEST:

City Manager Pro Tem – Ex Officio City Recorder



CITY OF SWEET HOME CITY COUNCIL MINUTES

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Call to Order and Pledge of Allegiance

The meeting was called to order at 6:34 PM.

Roll Call

PRESENT

Mayor Greg Mahler
President Pro Tem Diane Gerson
Councilor Dave Trask
Councilor Lisa Gourley
Councilor Susan Coleman (absent)
Councilor Angelita Sanchez
Councilor Dylan Richards

STAFF

City Manager Ray Towry
Finance Director Brandon Neish
Community and Economic Development Director Blair Larsen
City Attorney Robert Snyder
Public Works Director Greg Springman
Police Chief Jeff Lynn
Library Services Director Megan Dazey
Administrative Services Manager Julie Fisher
Engineer Technician Trish Rice

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MEDIA

Benny Wolcott, The New Era

Motion to approve Councilor Coleman's absence.

Motion made by Councilor Trask, Seconded by Councilor Gourley.

Voting Yea: Mayor Mahler, President Pro Tem Gerson, Councilor Trask, Councilor Gourley, Councilor Sanchez, Councilor Richards

Consent Agenda:

Motion to approve the Consent Agenda.

Motion made by President Pro Tem Gerson, Seconded by Councilor Richards.

Voting Yea: Mayor Mahler, President Pro Tem Gerson, Councilor Trask, Councilor Gourley, Councilor Sanchez, Councilor Richards

- a) 2022-01-11 City Council Meeting Minutes

Recognition of Visitors and Hearing of Petitions:

Larry Angland spoke on behalf of the residents of Ironwood requesting new blacktop on their street.

Several members of the public spoke in opposition of the Managed Outreach and Resource Facility: Seele, Chirstine Rogers. Leih Landrock, Ernie Carpenter, and Michelle Gains.

Caterina Rennfeldt spoke in favor of the site.

- a) Police Officer Swearing In Ceremony - Officer Jake Castadio

Captain Jason Odgen introduced Jake Castido. City Manager Towry conducted the Swearing-In Ceremony for Officer Castido.

Old Business:

- a) Water Treatment Plant Emergency Generator Project Update

Motion to authorize City staff to send a letter to the Linn County Commissioners regarding the Mill Property and the Council's desire for a PPE with DEQ.

Motion made by President Pro Tem Gerson, Seconded by Councilor Richards.

Voting Yea: Mayor Mahler, President Pro Tem Gerson, Councilor Trask, Councilor Gourley, Councilor Sanchez, Councilor Richards

- b) Preston Van Meter, Engineer with West Yost gave an update on the Water Treatment Plant Emergency Generator Project. There was time for question and answers.

- c) Request for Council Action - Agreement and Lease with FAC for Managed Outreach and Community Resource Facility

Motion to Table the Request for the Agreement and Lease with FAC for Managed Outreach and Community Resource Facility until after the town hall on January 26, 2022. (Sanchez/Mahler)

Motion made by Councilor Sanchez, Seconded by Mayor Mahler.

Voting Yea: Mayor Mahler, Councilor Trask, Councilor Sanchez, Councilor Richards

Voting Nay: President Pro Tem Gerson, Councilor Gourley

- d) Mayor's Selection of City Council's Managed Outreach and Community Resource Facility Policy Board Member

Mayor Mahler appointed Councilor Sanchez as Council liaison for the FAC Policy Board.

New Business:

- a) Proclamation - Denouncing Racism in Sweet Home
Mayor Mahler read the proclamation Denouncing Racism in Sweet Home.
- b) FY22 2nd Quarter Financial Update
Finance Director Brandon Neish presented Council with the Fiscal Year 2022 2nd Quarter update.
- c) SHEDG Spring Event Discussion
Robert Shamek updated the Council on the upcoming Oregon Jamboree and plans for the 30th Anniversary.

The Jamboree is also planning a Spring Event, which would be a Music and Brews event open to the general public during the day, and ticket holders would have access to concerts at night. The Oregon Jamboree and SHEDG requested a partnership from the City similar to the Tune Up Tuesday events which will again happen in June.

Motion to authorize \$10K from Economic Development funds to partner with the Oregon Jamboree and SHEDG for upcoming events. (Gourley/Richards)

Motion made by Councilor Gourley, Seconded by Councilor Richards.
Voting Yea: Mayor Mahler, President Pro Tem Gerson, Councilor Trask, Councilor Gourley, Councilor Sanchez, Councilor Richards

Ordinance Bills

Request for Council Action and First Reading of Ordinance Bills

- a) Request for Council Action – Ordinance Bill No. 1 for 2022 Sweet Home Ordinance Amending Certain Sections of the Building Code

Motion to move Ordinance Bill No. 1 for 2022 to first reading made by Councilor Trask and seconded by Councilor Richards

Voting Yea: Mayor Mahler, President Pro Tem Gerson, Councilor Trask, Councilor Gourley, Councilor Sanchez, Councilor Richards
Ordinance Bill No. 1 for 2022 was read in its entirety.

Motion to move Ordinance Bill No. 1 for 2022 to second reading made by Councilor Gerson and seconded by Councilor Richards

Voting Yea: Mayor Mahler, President Pro Tem Gerson, Councilor Trask, Councilor Gourley, Councilor Sanchez, Councilor Richards
Ordinance Bill No. 1 for 2022 was read in its entirety.

Second Reading of Ordinance Bills

Motion to move Ordinance Bill No. 1 for 2022 to second reading during this meeting made by Councilor Gourley and seconded by Councilor Gerson

Ordinance Bill No. 1 for 2022 was read by title only.

Motion to move Ordinance Bill No, 1 for 2022 to third and final reading made by Councilor Gerson and seconded by Councilor Richards.

Voting Yea: Mayor Mahler, President Pro Tem Gerson, Councilor Trask, Councilor Gourley, Councilor Sanchez, Councilor Richards

Third Reading of Ordinance Bills (Roll Call Vote Required)

Reports of Committees:

No Reports

Reports of City Officials:

Mayor's Report

Mayor Mahler reported he will be absent for the February 8th City Council meeting and Pro Tem Gerson will conduct the meeting.

City Manager's Report

City Manager Towry announced the need for an Administrative, Finance, and Property Committee meeting to interview candidates. An Executive Session for the City Manager Review also needs to be scheduled.

City Manager Towry stated he will be out of the office to attend a funeral part of next week and will be on vacation for Spring Break March 18th thru the 25th. He will not be at the Council meeting on March 22nd.

City Manager Towry announced Finance Director Brandon Neish has a birthday today.

Department Director's Reports (2nd meeting of the Month)

Finance Director

- a) Finance Monthly Report - December 2021
- b) Discussion on purchase of microphones for Council Chambers

Finance Director Neish discussed the purchase of new microphones and upgraded technology for the Council Chambers at an estimated cost of \$80k. Council consensus was the purchase amount was far more than they were willing to spend.

Police Chief

A written report was included in the packet. There were no questions from the Council.

- a) Police Department Monthly Report

City Attorney

No Report

Council Business for Good of the Order

Councilor Sanchez thanked the Council for the Proclamation Denouncing Racism in Sweet Home. Councilor Sanchez stated racism is one issue she felt strongly about and vowed to make a change regarding racism in our community.

Adjournment

The meeting adjourned at 8:55 PM.

Mayor

ATTEST:

City Manager Pro Tem – Ex Officio City Recorder



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Call to Order and Pledge of Allegiance

The meeting was called to order at 6:30 PM.

Roll Call

PRESENT

Mayor Greg Mahler
President Pro Tem Diane Gerson
Councilor Dave Trask
Councilor Lisa Gourley
Councilor Susan Coleman
Councilor Angelita Sanchez
Councilor Dylan Richards

STAFF

Community and Economic Development Director Blair Larsen
Finance Director Brandon Neish
Public Works Director Greg Springman
Police Chief Jeff Lynn
Administrative Services Manager Julie Fisher
Community Services Officer Sean Morgan
City Attorney Robert Snyder

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Old Business:

- a) Request for Council Action - Agreement and Lease with FAC for Managed Outreach and Community Resource Facility

Community and Economic Development Director Blair Larsen clarified the Linn County Mill Property (known as the Knife River Property) does not impact this situation and is not the "knife shaped" property that is being considered as a potential site for the Managed Outreach and Community Resource Facility. An update on the "knife shaped" property was given - a Phase 1 Environmental Analysis Report, cover letter Executive Summary and Conclusion have been received. Staff recommendation is not to take ownership unless there is a Purchaser Agreement or Conditional No Further Action designation with clear liability.

There was discussion on options regarding the property as well as other sites for the facility.

City Attorney Snyder explained the process for a director award of a specialized contract according to ORS and City Policies. City Attorney noted one typo to be corrected.

Motion to approve the Agreement for Services with FAC for the operation of a Managed Outreach and Community Resource Facility as amended. Motion by Councilor Gourley and Seconded by Councilor Gerson.

Voting Yea: Mayor Mahler, President Pro Tem Gerson, Councilor Trask, Councilor Gourley, Councilor Coleman

Voting Nay: Councilor Sanchez, Councilor Richards

Motion to place a temporary Managed Outreach and Community Resource Facility at the current Public Works Shop on 24th Avenue. Motion by Councilor Sanchez and Seconded by Councilor Gerson. Voting Yea: Mayor Mahler, President Pro Tem Gerson, Councilor Trask, Councilor Gourley, Councilor Sanchez, Councilor Richards

Voting Nay: Councilor Coleman

- b) Information Only - ODOT US 20/OR 228 ADA Ramp Project Water Line Relocations

Community and Economic Development Director Blair Larsen gave a project update on pedestrian ramps along Hwy 20 and Hwy 228 within city limits. The City will be responsible for cost of moving utilities (water lines and hydrants) during the next fiscal year and staff proposes using funding from PATH.

Councilor Sanchez requested a list of the 5 most dangerous crosswalks to be sent to Representative Cate. Staff stated a traffic study needs to be completed to accurately report.

- c) Request for Council Action - ODOT US 20 53rd – 60th Avenue Sidewalk Project Water Line Relocation

Community and Economic Development Director Blair Larsen updated the Council on the ODOT 60th Avenue Sidewalk Project stating projected cost do not include the City moving a large water line and storm drain that conflict with the project. Because ODOT is in the procurement process and a low bidder has been identified, change of design is not allowed. The cost to the City to move the utilities is estimated to be between 76K to 131K.

Motion to continue with the ODOT 60th Avenue Sidewalk Project made by Councilor Coleman, Seconded by Councilor Richards.

Voting Yea: Mayor Mahler, President Pro Tem Gerson, Councilor Trask, Councilor Gourley,
Councilor Coleman, Councilor Sanchez, Councilor Richards

Adjournment

The meeting adjourned at 7:45 PM.

Mayor

ATTEST:

City Manager Pro Tem – Ex Officio City Recorder



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action – Appointment of Manager Pro Tem

Preferred Agenda: February 8, 2022

Submitted By: Julie Fisher, Administrative Services Manager

Reviewed By: Blair Larsen, Community and Economic Development Director

Type of Action: Resolution X Motion ____ Roll Call ____ Other ____

Relevant Code/Policy: City of Sweet Home Charter

Towards Council Goal: Goal #.#: State goal here

Attachments: Resolution No. 4 for 2022

Purpose of this RCA:

The Charter of the City of Sweet Home states that in the absence of the City Manager from the City, the City Council shall appoint a Manager Pro Tem.

Background/Context:

In the absence of the City Manager from the City, Blair Larsen has agreed to act as Manager Pro Tem.

The Challenge/Problem:

To fill the office of Manager Pro Tem during the absence of the City Manager from the City, with the powers and duties of the City Manager Pro Tem.

Stakeholders:

- Citizens of Sweet Home – A Manager or Manager Pro Tem is necessary to conduct business.
- City Staff – A Manager or Manager Pro Tem in place for continued direction of staff and projects
- City Council – A Manager or Manager Pro Tem is necessary to conduct Council meetings and perform as the Ex-Officio City Recorder

Issues and Financial Impacts:

The City of Sweet Home could be held liable without a Manager or Manager Pro Tem in place.

Elements of a Stable Solution:

Appointment for the office of Manager Pro Tem

Options:

1. Option #1– Do Nothing
2. Option #2– Approve Resolution No. 4 for 2022 to Appoint a Manager Pro Tem
3. Option #3– Reject Resolution No. 4 for 2022 and request staff to research additional options.

Recommendation:

Staff recommends Option #2 – Appoint a Manager Pro Tem

RESOLUTION NO. 4 FOR 2022

A RESOLUTION TO APPOINT A MANAGER PRO TEM

WHEREAS, the Charter of the City of Sweet Home states that the City Council may by resolution appoint a city officer to fill and perform the duties of two offices; and

WHEREAS, the Charter of the City of Sweet Home states that in the absence of the City Manager from the City the City Council shall appoint a Manager Pro Tem; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SWEET HOME: that Blair Larsen, Community and Economic Development Director for the City of Sweet Home, is hereby appointed to the office of Manager Pro Tem to serve in the absence of the City Manager from the City with the powers and duties of the City Manager.

This resolution shall become effective immediately upon passage by the City Council and signature of the Mayor.

PASSED by the Council and approved by the Mayor this 8th day of February 2022

Mayor

ATTEST:

Manager Pro Tem - Ex Officio City Recorder



REQUEST FOR COUNCIL ACTION

Title: Annual Adoption of City Investment Policy

Preferred Agenda: February 08, 2022

Submitted By: Brandon Neish, Finance Director

Reviewed By: Blair Larsen, Community & Economic Development Director

Type of Action: Resolution _____ Motion X Roll Call _____ Other _____

Relevant Code/Policy: Sweet Home Investment Policy
ORS 294.135(1)(a)

Towards Council Goal: Goal 2.5: Continue to implement financial “best” practices

Attachments: 2022 Memo for Policy Update (Government Portfolio Advisors)
Sweet Home Investment Policy (red line changes)
Sweet Home Investment Policy (Revised)

Purpose of this RCA:

To review changes as proposed by Government Portfolio Advisors and adopt an updated Investment Policy.

Background/Context:

The City of Sweet Home adopted the City’s current investment policy in February 2019 after the City Council directed staff to research investment options outside of the Local Government Investment Pool (LGIP). In 2017, the earnings rate on cash in the pool was 1.15% and the Council believed that additional revenue could be earned on the City’s cash on-hand. The City worked with Government Portfolio Advisors (GPA) and the Oregon Short Term Fund Board (OSTFB) to develop its own investment policy which would allow the City to invest its cash in various equities and bonds. The City began purchasing bonds in August 2019 and now holds approximately \$2.3 million in investments.

As part of an annual review, GPA has recommended some changes to the City’s existing policy to better align the policy with state statutes and OSTFB sample policies for investments. Additionally, GPA has recommended lowering the commercial paper rating requirement from A1+/P1 to A1/P1, again in line with state statute. GPA has prepared a memo (included) that outlines the specific changes along with the reason for the change and potential implications.

The Challenge/Problem:

Does the Investment Policy meet the needs of the City and Council goals while appropriately leveraging the City’s financial resources?

Stakeholders:

- City of Sweet Home citizens – Citizens benefit from increased returns due to investment beyond the LGIP.
- City of Sweet Home staff – Staff will use provisions of the policy to continue investing city funds.
- City of Sweet Home City Council – Council reviews budget documents and financial reports and has a vested interest in ensuring the best returns to benefit the community.

Issues and Financial Impacts:

Investing City resources does not come without risk. Market changes can bring additional revenues but can also swing the other direction. Over the past 17 months, the City has seen smaller returns than originally anticipated due to a surging equities market and lackluster bond market (where a majority of the City’s investments sit). The result has been a relatively weak investment return when compared to LGIP returns, however, bond market conditions are improving with rate action from the Federal Reserve Board and current economic trends.

Elements of a Stable Solution:

The City needs to have the ability to diversify its cash into investments that could provide a higher return than the LGIP. An updated investment policy will ensure that the financial health of the City’s cash is considered and protected and will guide staff and advisors as cash is invested.

Options:

1. Do Nothing – Council could choose not to adopt the revised Investment Policy. The City would then be required to terminate its existing investments in accordance with ORS 294-135(1)(a)
2. Move to adopt the revised Sweet Home Investment Policy – Adoption of the revised policy would ensure continuance of the City’s investment portfolio.
3. Purpose revisions to the Sweet Home Investment Policy prior to re-adoption – Council could choose to request revisions to the policy provided prior to its adoption.

Recommendation:

Staff recommends option 2, move to adopt the revised Sweet Home Investment Policy. The proposed changes further align our policy with existing state statues and recommendations from the City’s contracted investment advisors.

CITY OF SWEET HOME



INVESTMENT POLICY [2018-2022](#) Final

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1. INTRODUCTION

The purpose of this Investment Policy is to establish the investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the prudent management and investment of the funds of the City of Sweet Home.

The average monthly balance of funds invested in the City's general portfolio, excluding proceeds from bond issues, is approximately \$5-10 million. The highest balances in the portfolio occur in December after property taxes are collected.

2. GOVERNING AUTHORITY

The investment program shall be operated in conformance with federal, state, and other legal requirements. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145 and 294.810.

This Policy has been adopted by Resolution # [REDACTED] by the City Council of Sweet Home, Oregon on [REDACTED], 2022~~18~~ and replaces the City's previous adoption dated September 13, 2016.

3. SCOPE

This policy applies to activities of the City with regard to investing the financial assets of all funds except for funds held in trust for the Pension Portfolio and deferred compensation funds for the employees of the City which have separate rules. In addition, funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of Oregon. Other than bond proceeds or other unusual situations, the total of all funds ranges from \$5,000,000 to \$159,000,000. This policy provides direction for the following fund types:

Commented [WM1]: Would \$15MM be appropriate or should this increase a bit more?

1. General Fund
2. Special Revenue Funds
3. Capital Projects Funds
4. Debt Service Funds
5. Enterprise Funds
6. Internal Service Funds
7. Trust and Agency Funds
8. Other Funds

4. OBJECTIVES

The City's principal investment objectives in order of priority are:

4.1 Safety:

- Preservation of capital and protection of investment principal.

- Diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.

4.2 Liquidity:

- Maintenance of sufficient liquidity to meet operating requirements that are reasonably anticipated.

4.3 Yield – Return:

- Attainment of a market value rate of return throughout budgetary and economic cycles.

5. STANDARDS OF CARE

5.1 Delegation of Authority

- a. **Governing Body:** The ultimate responsibility and authority for the investment of City funds resides with the City Council. The City hereby designates the Finance Director as the Finance Director for the City's funds. The Finance Director shall invest City funds in accordance with ORS Chapter 294, Public Financial Administration, and with this Investment Policy. This Policy shall constitute a "written order" from City Council per ORS 294.035.
- b. **Finance Committee:** The City Finance Committee will provide additional guidance and oversight in regards to the annual investment policy review and quarterly investment reports.
- c. **Investment Advisor:** Subject to required procurement procedures, the City may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the City's resources. External investment advisors shall be subject to Oregon Revised Statutes and the provisions of this Investment Policy. The Advisor shall provide non-discretionary advisory services, which require prior approval from the Finance Director on all transactions.

In order to optimize total return through active portfolio management, resources shall be allocated to the cash management program. This commitment of resources shall include financial and staffing considerations.

5.2 Prudence:

The standard of prudence to be used, by the Finance Director, in the context of managing the overall portfolio is the prudent investor rule which states:

"Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The City's Finance Director (ORS 294.004 (2)) and staff acting in accordance with this Investment Policy, written procedures, and Oregon Revised Statutes 294.035 and 294.040 and exercising due diligence

shall be relieved of personal responsibility for an individual security's credit risk or market price change or other loss, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

5.3 Ethics:

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

6. AUTHORIZED FINANCIAL INSTITUTIONS

The City shall maintain a list of all authorized financial institutions and dealers that are approved for investment purposes. Any firm is eligible to make an application to the Finance Director and upon due consideration and approval, will be added to the list. Additions and deletions to the list will be made at the City's discretion. There should be in place, proof as to all the necessary credentials and licenses held by employees of the brokers/dealers who will have contact with the City of Sweet Home as specified by but not necessarily limited to the Financial Industry Regulatory Authority (FINRA), Securities and Exchange Commission (SEC), etc.

6.1 Broker/Dealers:

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives. The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

i. Broker/Dealer firms must meet the following minimum criteria:

- A. Be registered with the Securities and Exchange Commission (SEC);
- B. Be registered with the Financial Industry Regulatory Authority (FINRA).
- C. Provide most recent audited financials.
- D. Provide FINRA Focus Report filings.

ii. Approved broker/dealer employees who execute transactions with the City must meet the following minimum criteria:

- A. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
- B. Be licensed by the state of Oregon;
- C. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.

iii. The investment officer may utilize the non-discretionary advisors approved list in lieu of the City's internal broker list. The advisor must provide the City with documentation of an annual review. At a minimum the advisor must maintain documentation of appropriate licenses and professional credentials of all broker/dealers on the list. The advisor broker/dealer review should include:

- i. FINRA Certification check
- ii. Firm Profile
- iii. Firm History
- iv. Firm Operations
- v. Disclosures of Arbitration Awards, Disciplinary and Regulatory Events
- vi. State Registration Verification
- vii. Financial review of acceptable FINRA capital requirements or letter of credit for clearing settlements.

The advisors must provide the City with any changes to the list prior to transacting on behalf of the City.

6.2 Financial Bank Institutions:

All financial banks that provide bank deposits, certificates of deposits or any other deposit of the bank to the City must either be fully covered by the FDIC or the bank must be a participant of the Public Funds Collateralization Program (PFCP) program. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss. ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS Chapter 295 creates a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected.

6.3 Investment Advisors:

An Investment Advisor may be utilized to manage funds and will be selected through a competitive RFP process. The Advisor must meet the following criteria:

- a. The investment advisor firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon; (Note: Investment advisor firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon);
- b. All investment advisor firm representatives conducting investment transactions on behalf of City must be registered representatives with FINRA;
- c. All investment advisor firm representatives conducting investment transactions on behalf of City must be licensed by the state of Oregon;
- d. Contract terms will include that the Investment advisor will comply with the City's Investment Policy.

A periodic (at least annual) review of all investment advisors under contract will be conducted by the Finance Director to determine their continued eligibility within the portfolio guidelines. The Investment Advisor must notify the City immediately if any of the following issues arise while serving under a City Contract:

Commented [WM2]: Added per OST Sample policy

- a. Pending investigations by securities regulators.
- b. Significant changes in net capital.
- c. Pending customer arbitration cases.
- d. Regulatory enforcement actions.

6.4 Competitive Transactions:

The Finance Director will obtain telephone, faxed or emailed quotes before purchasing or selling an investment. The Finance Director will select the quote which best satisfies the investment objectives of the investment portfolio within the parameters of this policy. The Finance Director and/or the Investment Advisor will maintain a written record of each bidding process including the name and prices offered by each participating financial institution.

The City's investment advisor that is providing investment management services must provide documentation of competitive pricing execution on each transaction. The investment advisor will retain documentation and provide upon request.

7. SAFEKEEPING AND CUSTODY

7.1 Safekeeping of Securities and Funds:

Securities will be held by an independent third-party safekeeping institution selected by the City in the City's segregated account. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

All trades of marketable securities will be executed on a delivery vs payment (DVP) basis to ensure that securities are deposited in the City of Sweet Home's safekeeping institution prior to the release of funds.

7.2 Bank Deposits and Certificates of Deposit:

The City may hold bank deposits or certificates of deposits at banks qualified under ORS 295.

7.3 Accounting Method:

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

7.4 Internal Controls:

The Finance Director shall maintain a system of written internal controls which shall address the following areas of concern:

- Compliance with investment policy constraints and requirements
- Clear delegation of authority
- Segregation of duties and separation of responsibilities for trade execution, accounting, and record keeping
- Written confirmation of transactions and funds transfers
- Timely reconciliation of custodial reports
- Appropriate security for online transactions and access to bank accounts and bank data
- Custodial safekeeping
- Control of collusion
- Review, maintenance and monitoring of security procedures both manual and automated
- Dual authorizations of wire and automated clearing house (ACH) transfers

An external auditor shall provide an annual independent audit to assure compliance with Oregon state law and City of Sweet Home policies and procedures.

8. AUTHORIZED AND SUITABLE INVESTMENTS

8.1 Authorized Investments:

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for Finance Director including not committing to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS must be amended to this policy in order to be allowable.

8.2 Suitable Investments:

[The City will diversify investments across maturities, security types and institutions to avoid incurring unreasonable risks. Minimum percentages and credit limits apply at the time of purchase.](#)

[The City has further defined the eligible types of securities and transactions as follows:](#)

US Treasury Obligations: U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the timely payment of principal and interest [ORS Section 294.035(3)(a)].

~~**US Agency Obligations Primary:** Federal agency and instrumentalities of the United States or enterprises sponsored by the United States Government (GSEs) whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government [ORS Section 294.035(3)(a)]. Senior debenture obligations of US federal agencies and instrumentalities or U.S. government sponsored enterprises (GSE) that have actively traded markets and provide a higher level of liquidity. These include: Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Banks (FHLB), and the Federal Farm Credit Bureau (FFCB).~~

Commented [WM3]: Consolidating US Agency Primary and Secondary under US Agency Obligations. This was a GPA distinction and consolidating will provide clearer understanding as it will follow state Statute.

~~**Municipal Debt:** Lawfully issued debt obligations of the States of Oregon, California, Idaho and Washington and political subdivisions of those states if the obligations have a long-term rating on the settlement date of AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization, or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS Section 294.035(3)(c)]. In the case of a split rating, the highest rating of these two rating agencies will be used.~~

~~**Corporate Indebtedness:** Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)3 of the Securities Act of 1933, as amended. Corporate indebtedness must be rated on the settlement date AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization [ORS Section 294.035(3)(i)]. must be rated on the settlement date AA- or better by S&P or Aa3 or better by Moody's. In the case of a split rating, the lowest rating of these two rating agencies will be used.~~

~~**US Agency Obligations Secondary:** Other US government sponsored enterprises that are less marketable are considered secondary GSEs. They include, but are not limited to: Private Export Funding Corporation (PEFCO), Tennessee Valley Authority (TVA), Financing Corporation (FICO) and Federal Agricultural Mortgage Corporation, (Farmer Mac).~~

~~**Commercial Paper:** Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)3 of the Securities Act of 1933, as amended. Commercial Paper must be rated A1 by Standard and Poor's or P1 by Moody's or equivalent rating by any nationally recognized statistical rating organization. Issuer constraints for commercial paper combined with corporate notes will be limited by statute to 5% of market value per issuer [ORS Section 294.035(3)(i)]. Commercial Paper that is rated A1+/P1. In the case where both rating agencies provide ratings on the corporation, the lowest rating will be used.~~

~~**Certificates of Deposit:** Certificates of deposit in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].~~

~~**Bank Time Deposit/Savings Accounts:** Time deposit open accounts or savings accounts in insured institutions as defined in ORS Section 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].~~

Bankers' Acceptance: Banker's acceptances, if the banker's acceptances are: (i) Guaranteed by, and carried on the books of, a qualified financial institution*; (ii) Eligible for discount by the Federal Reserve System; and (iii) Issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category without any refinement or gradation by one or more nationally recognized statistical rating organizations [\[ORS Section 294.035\(3\)\(h\)\]](#).

Local Government Investment Pool: State Treasurer's local short-term investment fund up to the statutory limit per ORS Section 294.810.

*For the purposes of this paragraph, "qualified financial institution" means: (i) A financial institution that is located and licensed to do banking business in the State of Oregon; or (ii) A financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon [ORS Section 294.035(3)(h)].

8.3 Collateralization:

Time deposit open accounts, Certificates of Deposit and savings accounts shall be collateralized through the collateral pool for any excess over the amount insured by an agency of the United States government in accordance with ORS 295.015 and ORS 295.018.

9. INVESTMENT PARAMETERS

9.1 Diversification:

The City will diversify the investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in over investing in specific instruments, individual financial institutions or maturities.

Credit risk: is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt.

Liquidity risk: is the risk that an investment may not be easily marketable or redeemable.

Interest rate risk: longer term investments have the potential to achieve higher returns but are also likely to exhibit higher market value price volatility due to the changes in the general level of interest rates.

Diversification Constraints on Total Holdings – Liquidity and Core Funds

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P, Moody's, Or Equivalent NRSRO	Maximum Maturity
USTreasury Obligations	100%	None	N/A	5.25 years
USAgency Obligations	100%	35%	N/A	5.25 years
Municipal Debt (OR, CA, ID, WA)	25%	5%	AA- / Aa3 Short Term*	5.25 years
Corporate Notes	35%**	5%***	AA- / Aa3	5.25 years
Commercial Paper			A1 / P1	270 days
Bank Time Deposits/Savings Accounts	25%	15%	Oregon Public Depository	N/A
Certificates of Deposit	10%	5%	Oregon Public Depository	5.25 years
Banker's Acceptance	25%	5%	A1 / P1	180 days
Oregon Short Term Fund	Maximum allowed per ORS294.810	None	N/A	N/A

* Short Term Ratings: Moody's - P1/MIG1/VMIG1, S&P - A-1/SP-1, Fitch - F1

** 35% maximum combined corporate and commercial paper per ORS

*** Issuer constraints apply to the combined issues in corporate and commercial paper holdings.

9.2 Investment Maturity:

The City will not directly invest in securities with a stated maturity of more than five and a quarter (5.25) years from the date of purchase.

- The maximum weighted maturity of the total portfolio shall not exceed two (2) years. This maximum is established to limit the portfolio to excessive price change exposure.
- Liquidity funds will be held in the State Pool, Bank Deposits or in money market instruments maturing six months and shorter. The liquidity portfolio shall, at a minimum, represent six month budgeted outflows.
- Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5.25 years and will be only invested based on the diversification parameters listed –in 9.1 of this policy.
- Total Portfolio Maturity Constraints:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%

Commented [WM4]: Updated Diversification Table to include the following recommendations: Combine US Agency Primary and Secondary Agencies into one category to follow state statute, increase max Muni holdings to 25% as allowable by statute, combine Corp/CP holdings and issuer for max 35%/5% as allowable by statute, CP ratings at A1/P1 as allowable by statute (from A1+/P1), BA ratings to A1/P1 to follow statute (from A1+/P1)

Commented [WM5]: Updated this section to reflect GPA's recommended change to maximum single maturity of 5.25 years (from 5.0 years). This will provide additional flexibility when opportunities arise in the new issue market, which may have a 5 year and 1 week maturity for example

<u>Under 5 years</u>	<u>100%</u>
Maturity Constraints	Maximum of Total Portfolio in Years
<u>Weighted Average Maturity</u>	<u>2.00</u>
Security Structure Constraint	Maximum % of Total Portfolio
<u>Callable Agency Securities</u>	<u>25%</u>

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5.25 years	100%
Maturity Constraints	Maximum of Total Portfolio in Years
Weighted Average Maturity	2.00
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

9.3 Prohibited Investments:

- The City shall not invest in “144A” private placement securities.
- The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.
- The City shall not purchase mortgage backed securities.
- The City will not purchase, per ORS 294.040, any bonds of issuers listed in ORS 294.035(3)(a) to (c) that have a prior default history.

10. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

Investments of bond proceeds are restricted further and will not include corporate bonds in the dedicated bond proceed portfolio. All other allowable investments including: US Treasury, US Agency and Commercial Paper may be utilized. The investments will be made in a manner to match cash flow expectations based on managed disbursement schedules.

Liquidity for bond proceeds will be managed through the OSTF Pool or Bank deposit balances.

Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and maturities are intended to be matched with expected outflows.

Commented [WM6]: Added this section per OST Sample Policy

[Information will be maintained for arbitrage rebate calculations.](#)

11. INVESTMENT OF RESERVE OR CAPITAL IMPROVEMENTS

[Pursuant to ORS 294.135\(1\)\(b\), reserve or capital Improvement project monies may be invested in securities exceeding 5.25 years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the governing body of the county, municipality, school district or other political subdivision, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.](#)

Commented [WM7]: Added this section per OST Sample Policy

~~10.~~12. POLICY COMPLIANCE AND PERFORMANCE STANDARDS

120.1 Compliance Measurement and Procedures:

- a. Compliance Report: A compliance report documenting the portfolio versus the investment policy shall be maintained quarterly.
- b. Compliance Measurement: Guideline measurements will use market value of investments.
- c. Compliance Procedures:
 - i. If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
 - ii. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance and; reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the Finance Committee.
 - iii. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.
 - iv. As determined on any date that the security is held within the portfolio. If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Finance Director shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Finance Director will apply the general objectives of Safety, Liquidity, Yield and Legality to make the decision. *If the City has hired the services of an Investor Advisor, the Finance Director will act on the recommendation of the Advisor.*

120.2 Performance Measurement:

- a. The City yields will be compared to the OST Pool rates.

- b. The portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum effective duration and will have the objective to achieve market rates of returns over long investment horizons. The purpose of the benchmark is to appropriately manage the risk in the portfolio given interest rate cycles. The core portfolio is expected to provide similar returns to the benchmark over interest rate cycles, but may underperform or out perform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a 0-3 year or 0-5 year standard market index and comparisons will be calculated monthly and reported quarterly.
- c. When comparing the performance of the City's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.
- d. The mark to market pricing will be calculated monthly and be provided in a monthly report.

11.13. REPORTING REQUIREMENTS

The Finance Director will retain and provide quarterly investment reports to the City Council in a similar manner as outlined in ORS 208.090. The reports also will be available upon request. Securities holdings and cash balances held in the investment portfolio will be provided on the reports.

The minimum quarterly reporting requirements for total portfolio are as follows:

- Earnings Yield
- Holdings Report (including mark to market)
- Transactions Report
- Weighted Average Maturity or Duration
- Compliance Report

12.14. INVESTMENT POLICY ADOPTION

This Investment Policy shall be reviewed by the City's Finance Committee and adopted by City Council annually in accordance with ORS 294.135(a). Any significant changes to the policy must be reviewed by the Oregon Short Term-Fund Board prior to submitting to City Council for adoption.

13-15. GLOSSARY

Accrued Interest: The interest accumulated on a security since the issue date or since the last coupon payment. The buyer of the security pays the market price plus accrued interest.

Agency Securities: See “Federal Agency Securities.”

Bankers’ Acceptance (BA’s): A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers’ acceptances are traded at a discount from face value as a month market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Basis Point: A basis point is a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form. In most cases, it refers to changes in interest rates and bond yields.

Benchmark: A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance and duration of the actual portfolio’s investments.

Bond: An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and it is usually secured by specific assets. Most bonds have a maturity of greater than one year and in general, pay interest semiannually.

Broker/Dealer: A person or firm transacting securities business with customers. A “broker” acts as an agent between buyers and sellers, and receives a commission for these services. A “dealer” buys and sells financial assets from its own portfolio. A dealer takes risk by owning an inventory of securities, whereas a broker merely matches up buyers and sellers.

Call: An option to buy a specific asset at a certain price within a certain period of time.

Callable: A bond or preferred stock that may be redeemed by the issuer before maturity for a call price specified at the time of issuance.

Call Date: The date before maturity on which a bond may be redeemed at the option of the issuer.

Certificate of Deposit (CD): Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity).

Collateral: Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Short-term, unsecured, negotiable promissory notes issued by a company or financial institution. Issued at a discount and matures at par or face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

Core Fund: Core funds are defined as operating fund balance which exceeds the City's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

Corporate Note: A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

Coupon Rate: The annual rate of interest that the issuer of a bond promises to pay to the holder of the bond.

Current Maturity: The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

Current Yield: The coupon payments on a security as a percentage of the security's market price. In many instances the price should be gross of accrued interest, particularly on instruments where no coupon is left to be paid until maturity.

CUSIP: A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

Delivery Versus Payment (DVP): Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (DTC): A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs and BAs clear through DTC.

Discount Notes: Short term debt obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Discount Notes typically have very large primary (new issue) and secondary markets.

Federal Agency Security: A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Agency: Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets.

Federal Farm Credit Bank (FFCB): A Government Sponsored Enterprise (GSE) system that is a network of cooperatively owned lending institutions that provide credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to

have minimal credit risk due to its importance to the U.S. Financial system and agricultural industry. Also issues notes under its "designated note" program.

Federal Home Loan Bank System (FHLB). A Government Sponsored Enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its "global note" and "TAP" programs.

Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its "reference note" program.

Federal National Mortgage Association (FNMA or "Fannie Mae"). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its "benchmark note" program.

Federal Reserve Bank. One of the 12 distinct banks of the Federal Reserve System.

Federal Reserve System (the Fed). The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven member Board of Governors known as the "Federal Reserve Board" and headed by its Chairman.

Finance Committee: A group consisting of the City Manager, Finance Director and Mayor, or his/her appointee from Council with positions reviewed by the Mayor on an annual basis.

General Obligation Bonds (GOs): Bonds secured by the pledge of the municipal issuer's full faith and credit, which usually includes unlimited taxing power.

Government Bonds: Securities issued by the federal government; they are obligations of the U.S. Treasury. Also known as "governments."

Government Sponsored Enterprise (GSE): Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Some consider GSEs to be stealth recipients of corporate welfare. Examples of GSEs include: FHLB, FHLMC, FNMA and FFCB.

Interest: Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

Interest Rate: The interest payable each year on borrowed funds, expressed as a percentage of the principal.

Investment Advisor: A company that provides professional advice managing portfolios, investment recommendations and/or research in exchange for a management fee.

Investment Portfolio: A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

Investment Securities: Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

Liquidity: The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

Liquidity Component: A percentage of the total portfolio that is dedicated to providing liquidity needs for the City.

Mark to Market: Adjustment of an account or portfolio to reflect actual market price rather than book price, purchase price or some other valuation.

Municipals: Securities, usually bonds, issued by a state or its agencies. The interest on “munis” is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency’s taxation powers.

NRSRO: A “Nationally Recognized Statistical Rating Organization.” A designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating such as Moody’s, S&P, Fitch and Duff & Phelps.

Par Value: The value of a security expressed as a specific dollar amount marked on the face of the security, or the amount of money due at maturity. Par value should not be confused with market value.

Prudent Person Standard: Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee will act with care, skill, prudence, and diligence under the circumstances the prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with

those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the entity.

Rate of Return: Amount of income received from an investment, expressed as a percentage of the amount invested.

State of Oregon Local Government Investment Pool (OSTF – Oregon Short Term Fund): The OSTF is organized pursuant to ORS 294.805 through 294.895. Participation in the Pool will not exceed the maximum limit annually set by ORS 294.810.

Total Return: Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Treasury Bill (T-Bill): An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

Treasury Bonds and Notes: Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

Yield: The annual rate of return on an investment, expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield to Maturity: The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.

CITY OF SWEET HOME



INVESTMENT POLICY 2022 Final

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1. INTRODUCTION

The purpose of this Investment Policy is to establish the investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the prudent management and investment of the funds of the City of Sweet Home.

The average monthly balance of funds invested in the City's general portfolio, excluding proceeds from bond issues, is approximately \$5-10 million. The highest balances in the portfolio occur in December after property taxes are collected.

2. GOVERNING AUTHORITY

The investment program shall be operated in conformance with federal, state, and other legal requirements. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145 and 294.810.

This Policy has been adopted by Resolution # [REDACTED] by the City Council of Sweet Home, Oregon on [REDACTED], 2022 and replaces the City's previous adoption dated September 13, 2016.

3. SCOPE

This policy applies to activities of the City with regard to investing the financial assets of all funds except for funds held in trust for the Pension Portfolio and deferred compensation funds for the employees of the City which have separate rules. In addition, funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of Oregon. Other than bond proceeds or other unusual situations, the total of all funds ranges from \$5,000,000 to \$15,000,000. This policy provides direction for the following fund types:

1. General Fund
2. Special Revenue Funds
3. Capital Projects Funds
4. Debt Service Funds
5. Enterprise Funds
6. Internal Service Funds
7. Trust and Agency Funds
8. Other Funds

4. OBJECTIVES

The City's principal investment objectives in order of priority are:

4.1 Safety:

- Preservation of capital and protection of investment principal.

- Diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.

4.2 Liquidity:

- Maintenance of sufficient liquidity to meet operating requirements that are reasonably anticipated.

4.3 Yield – Return:

- Attainment of a market value rate of return throughout budgetary and economic cycles.

5. STANDARDS OF CARE

5.1 Delegation of Authority

- a. **Governing Body:** The ultimate responsibility and authority for the investment of City funds resides with the City Council. The City hereby designates the Finance Director as the Finance Director for the City’s funds. The Finance Director shall invest City funds in accordance with ORS Chapter 294, Public Financial Administration, and with this Investment Policy. This Policy shall constitute a “written order” from City Council per ORS 294.035.
- b. **Finance Committee:** The City Finance Committee will provide additional guidance and oversight in regards to the annual investment policy review and quarterly investment reports.
- c. **Investment Advisor:** Subject to required procurement procedures, the City may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the City’s resources. External investment advisors shall be subject to Oregon Revised Statutes and the provisions of this Investment Policy. The Advisor shall provide non-discretionary advisory services, which require prior approval from the Finance Director on all transactions.

In order to optimize total return through active portfolio management, resources shall be allocated to the cash management program. This commitment of resources shall include financial and staffing considerations.

5.2 Prudence:

The standard of prudence to be used, by the Finance Director, in the context of managing the overall portfolio is the prudent investor rule which states:

“Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The City’s Finance Director (ORS 294.004 (2)) and staff acting in accordance with this Investment Policy, written procedures, and Oregon Revised Statutes 294.035 and 294.040 and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price change

or other loss, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

5.3 Ethics:

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

6. AUTHORIZED FINANCIAL INSTITUTIONS

The City shall maintain a list of all authorized financial institutions and dealers that are approved for investment purposes. Any firm is eligible to make an application to the Finance Director and upon due consideration and approval, will be added to the list. Additions and deletions to the list will be made at the City's discretion. There should be in place, proof as to all the necessary credentials and licenses held by employees of the brokers/dealers who will have contact with the City of Sweet Home as specified by but not necessarily limited to the Financial Industry Regulatory Authority (FINRA), Securities and Exchange Commission (SEC), etc.

6.1 Broker/Dealers:

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives. The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

- i. Broker/Dealer firms must meet the following minimum criteria:
 - A. Be registered with the Securities and Exchange Commission (SEC);
 - B. Be registered with the Financial Industry Regulatory Authority (FINRA).
 - C. Provide most recent audited financials.
 - D. Provide FINRA Focus Report filings.

- ii. Approved broker/dealer employees who execute transactions with the City must meet the following minimum criteria:
 - A. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
 - B. Be licensed by the state of Oregon;
 - C. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.

iii. The investment officer may utilize the non-discretionary advisors approved list in lieu of the City's internal broker list. The advisor must provide the City with documentation of an annual review. At a minimum the advisor must maintain documentation of appropriate licenses and professional credentials of all broker/dealers on the list. The advisor broker/dealer review should include:

- i. FINRA Certification check
- ii. Firm Profile
- iii. Firm History
- iv. Firm Operations
- v. Disclosures of Arbitration Awards, Disciplinary and Regulatory Events
- vi. State Registration Verification
- vii. Financial review of acceptable FINRA capital requirements or letter of credit for clearing settlements.

The advisors must provide the City with any changes to the list prior to transacting on behalf of the City.

6.2 Financial Bank Institutions:

All financial banks that provide bank deposits, certificates of deposits or any other deposit of the bank to the City must either be fully covered by the FDIC or the bank must be a participant of the Public Funds Collateralization Program (PFCP) program. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss. ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS Chapter 295 creates a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected.

6.3 Investment Advisors:

An Investment Advisor may be utilized to manage funds and will be selected through a competitive RFP process. The Advisor must meet the following criteria:

- a. The investment advisor firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon; (Note: Investment advisor firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon);
- b. All investment advisor firm representatives conducting investment transactions on behalf of City must be registered representatives with FINRA;
- c. All investment advisor firm representatives conducting investment transactions on behalf of City must be licensed by the state of Oregon;
- d. Contract terms will include that the Investment advisor will comply with the City's Investment Policy.

A periodic (at least annual) review of all investment advisors under contract will be conducted by the Finance Director to determine their continued eligibility within the portfolio guidelines. The

Investment Advisor must notify the City immediately if any of the following issues arise while serving under a City Contract:

- a. Pending investigations by securities regulators.
- b. Significant changes in net capital.
- c. Pending customer arbitration cases.
- d. Regulatory enforcement actions.

6.4 Competitive Transactions:

The Finance Director will obtain telephone, faxed or emailed quotes before purchasing or selling an investment. The Finance Director will select the quote which best satisfies the investment objectives of the investment portfolio within the parameters of this policy. The Finance Director and/or the Investment Advisor will maintain a written record of each bidding process including the name and prices offered by each participating financial institution.

The City's investment advisor that is providing investment management services must provide documentation of competitive pricing execution on each transaction. The investment advisor will retain documentation and provide upon request.

7. SAFEKEEPING AND CUSTODY

7.1 Safekeeping of Securities and Funds:

Securities will be held by an independent third-party safekeeping institution selected by the City in the City's segregated account. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

All trades of marketable securities will be executed on a delivery vs payment (DVP) basis to ensure that securities are deposited in the City of Sweet Home's safekeeping institution prior to the release of funds.

7.2 Bank Deposits and Certificates of Deposit:

The City may hold bank deposits or certificates of deposits at banks qualified under ORS 295.

7.3 Accounting Method:

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

7.4 Internal Controls:

The Finance Director shall maintain a system of written internal controls which shall address the following areas of concern:

- Compliance with investment policy constraints and requirements
- Clear delegation of authority
- Segregation of duties and separation of responsibilities for trade execution, accounting, and record keeping
- Written confirmation of transactions and funds transfers
- Timely reconciliation of custodial reports
- Appropriate security for online transactions and access to bank accounts and bank data
- Custodial safekeeping
- Control of collusion
- Review, maintenance and monitoring of security procedures both manual and automated
- Dual authorizations of wire and automated clearing house (ACH) transfers

An external auditor shall provide an annual independent audit to assure compliance with Oregon state law and City of Sweet Home policies and procedures.

8. AUTHORIZED AND SUITABLE INVESTMENTS

8.1 Authorized Investments:

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for Finance Director including not committing to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS must be amended to this policy in order to be allowable.

8.2 Suitable Investments:

The City will diversify investments across maturities, security types and institutions to avoid incurring unreasonable risks. Minimum percentages and credit limits apply at the time of purchase.

The City has further defined the eligible types of securities and transactions as follows:

US Treasury Obligations: U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the timely payment of principal and interest [ORS Section 294.035(3)(a)].

US Agency Obligations: Federal agency and instrumentalities of the United States or enterprises sponsored by the United States Government (GSEs) whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States

Municipal Debt: Lawfully issued debt obligations of the States of Oregon, California, Idaho and Washington and political subdivisions of those states if the obligations have a long-term rating on the settlement date of AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization, or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS Section 294.035(3)(c)].

Corporate Indebtedness: Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)3 of the Securities Act of 1933, as amended. Corporate indebtedness must be rated on the settlement date AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization [ORS Section 294.035(3)(i)].

Commercial Paper: Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)3 of the Securities Act of 1933, as amended. Commercial Paper must be rated A1 by Standard and Poor's or P1 by Moody's or equivalent rating by any nationally recognized statistical rating organization. Issuer constraints for commercial paper combined with corporate notes will be limited by statute to 5% of market value per issuer [ORS Section 294.035(3)(i)].

Certificates of Deposit: Certificates of deposit in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].

Bank Time Deposit/Savings Accounts: Time deposit open accounts or savings accounts in insured institutions as defined in ORS Section 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].

Bankers' Acceptance: Banker's acceptances, if the banker's acceptances are: (i) Guaranteed by, and carried on the books of, a qualified financial institution*; (ii) Eligible for discount by the Federal Reserve System; and (iii) Issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category without any refinement or gradation by one or more nationally recognized statistical rating organizations [ORS Section 294.035(3)(h)].

Local Government Investment Pool: State Treasurer's local short-term investment fund up to the statutory limit per ORS Section 294.810.

*For the purposes of this paragraph, "qualified financial institution" means: (i) A financial institution that is located and licensed to do banking business in the State of Oregon; or (ii) A financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon [ORS Section 294.035(3)(h)].

8.3 Collateralization:

Time deposit open accounts, Certificates of Deposit and savings accounts shall be collateralized through the collateral pool for any excess over the amount insured by an agency of the United States government in accordance with ORS 295.015 and ORS 295.018.

9. INVESTMENT PARAMETERS

9.1 Diversification:

The City will diversify the investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in over investing in specific instruments, individual financial institutions or maturities.

Credit risk: is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt.

Liquidity risk: is the risk that an investment may not be easily marketable or redeemable.

Interest rate risk: longer term investments have the potential to achieve higher returns but are also likely to exhibit higher market value price volatility due to the changes in the general level of interest rates.

Diversification Constraints on Total Holdings – Liquidity and Core Funds

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P, Moody's, Or Equivalent NRSRO	Maximum Maturity
US Treasury Obligations	100%	None	N/A	5.25 years
US Agency Obligations	100%	35%	N/A	5.25 years
Municipal Debt (OR, CA, ID, WA)	25%	5%	AA- / Aa3 Short Term*	5.25 years
Corporate Notes	35%**	5%***	AA- / Aa3	5.25 years
Commercial Paper			A1 / P1	270 days
Bank Time Deposits/ Savings Accounts	25%	15%	Oregon Public Depository	N/A
Certificates of Deposit	10%	5%	Oregon Public Depository	5.25 years
Banker's Acceptance	25%	5%	A1 / P1	180 days
Oregon Short Term Fund	Maximum allowed per ORS 294.810	None	N/A	N/A

* Short Term Ratings: Moody's - P1/MIG1/VMIG1, S&P - A-1/SP-1, Fitch - F1

** 35% maximum combined corporate and commercial paper per ORS

*** Issuer constraints apply to the combined issues in corporate and commercial paper holdings.

9.2 Investment Maturity:

The City will not directly invest in securities with a stated maturity of more than five and a quarter (5.25) years from the date of purchase.

- The maximum weighted maturity of the total portfolio shall not exceed two (2) years. This maximum is established to limit the portfolio to excessive price change exposure.
- Liquidity funds will be held in the State Pool, Bank Deposits or in money market instruments maturing six months and shorter. The liquidity portfolio shall, at a minimum, represent six month budgeted outflows.
- Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5.25 years and will be only invested based on the diversification parameters listed in 9.1 of this policy.
- Total Portfolio Maturity Constraints:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5.25 years	100%
Maturity Constraints	Maximum of Total Portfolio in Years
Weighted Average Maturity	2.00
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

9.3 Prohibited Investments:

- The City shall not invest in "144A" private placement securities.
- The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.
- The City shall not purchase mortgage backed securities.
- The City will not purchase, per ORS 294.040, any bonds of issuers listed in ORS 294.035(3)(a) to (c) that have a prior default history.

10. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

Investments of bond proceeds are restricted further and will not include corporate bonds in the dedicated bond proceed portfolio. All other allowable investments including: US Treasury, US Agency and Commercial Paper may be utilized. The investments will be made in a manner to match cash flow expectations based on managed disbursement schedules.

Liquidity for bond proceeds will be managed through the OSTF Pool or Bank deposit balances.

Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and maturities are intended to be matched with expected outflows.

Information will be maintained for arbitrage rebate calculations.

11. INVESTMENT OF RESERVE OR CAPITAL IMPROVEMENTS

Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project monies may be invested in securities exceeding 5.25 years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the governing body of the county, municipality, school district or other political subdivision, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

12. POLICY COMPLIANCE AND PERFORMANCE STANDARDS

12.1 Compliance Measurement and Procedures:

- a. Compliance Report: A compliance report documenting the portfolio versus the investment policy shall be maintained quarterly.
- b. Compliance Measurement: Guideline measurements will use market value of investments.
- c. Compliance Procedures:
 - i. If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
 - ii. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance and; reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the Finance Committee.
 - iii. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.
 - iv. As determined on any date that the security is held within the portfolio. If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Finance Director shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Finance Director will apply the general objectives of Safety, Liquidity, Yield and Legality to make the decision. *If the City has hired the services of an Investor Advisor, the Finance Director will act on the recommendation of the Advisor.*

12.2 Performance Measurement:

- a. The City yields will be compared to the OST Pool rates.
- b. The portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum effective duration and will have the objective to achieve market rates of returns over long investment horizons. The purpose of the benchmark is to appropriately manage the risk in the portfolio given interest rate cycles. The core portfolio is expected to provide similar returns to the benchmark over interest rate cycles, but may underperform or out perform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a 0-3 year or 0-5 year standard market index and comparisons will be calculated monthly and reported quarterly.
- c. When comparing the performance of the City's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.
- d. The mark to market pricing will be calculated monthly and be provided in a monthly report.

13. REPORTING REQUIREMENTS

The Finance Director will retain and provide quarterly investment reports to the City Council in a similar manner as outlined in ORS 208.090. The reports also will be available upon request. Securities holdings and cash balances held in the investment portfolio will be provided on the reports.

The minimum quarterly reporting requirements for total portfolio are as follows:

- Earnings Yield
- Holdings Report (including mark to market)
- Transactions Report
- Weighted Average Maturity or Duration
- Compliance Report

14. INVESTMENT POLICY ADOPTION

This Investment Policy shall be reviewed by the City's Finance Committee and adopted by City Council annually in accordance with ORS 294.135(a). Any significant changes to the policy must be reviewed by the Oregon Short Term-Fund Board prior to submitting to City Council for adoption.

15. GLOSSARY

Accrued Interest: The interest accumulated on a security since the issue date or since the last coupon payment. The buyer of the security pays the market price plus accrued interest.

Agency Securities: See “Federal Agency Securities.”

Bankers’ Acceptance (BA’s): A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers’ acceptances are traded at a discount from face value as a month market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Basis Point: A basis point is a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form. In most cases, it refers to changes in interest rates and bond yields.

Benchmark: A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance and duration of the actual portfolio’s investments.

Bond: An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and it is usually secured by specific assets. Most bonds have a maturity of greater than one year and in general, pay interest semiannually.

Broker/Dealer: A person or firm transacting securities business with customers. A “broker” acts as an agent between buyers and sellers, and receives a commission for these services. A “dealer” buys and sells financial assets from its own portfolio. A dealer takes risk by owning an inventory of securities, whereas a broker merely matches up buyers and sellers.

Call: An option to buy a specific asset at a certain price within a certain period of time.

Callable: A bond or preferred stock that may be redeemed by the issuer before maturity for a call price specified at the time of issuance.

Call Date: The date before maturity on which a bond may be redeemed at the option of the issuer.

Certificate of Deposit (CD): Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity).

Collateral: Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Short-term, unsecured, negotiable promissory notes issued by a company or financial institution. Issued at a discount and matures at par or face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

Core Fund: Core funds are defined as operating fund balance which exceeds the City's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

Corporate Note: A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

Coupon Rate: The annual rate of interest that the issuer of a bond promises to pay to the holder of the bond.

Current Maturity: The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

Current Yield: The coupon payments on a security as a percentage of the security's market price. In many instances the price should be gross of accrued interest, particularly on instruments where no coupon is left to be paid until maturity.

CUSIP: A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

Delivery Versus Payment (DVP): Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (DTC): A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs and BAs clear through DTC.

Discount Notes: Short term debt obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Discount Notes typically have very large primary (new issue) and secondary markets.

Federal Agency Security: A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Agency: Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets.

Federal Farm Credit Bank (FFCB): A Government Sponsored Enterprise (GSE) system that is a network of cooperatively owned lending institutions that provide credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to

have minimal credit risk due to its importance to the U.S. Financial system and agricultural industry. Also issues notes under its “designated note” program.

Federal Home Loan Bank System (FHLB). A Government Sponsored Enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its “global note” and “TAP” programs.

Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “reference note” program.

Federal National Mortgage Association (FNMA or "Fannie Mae"). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “benchmark note” program.

Federal Reserve Bank. One of the 12 distinct banks of the Federal Reserve System.

Federal Reserve System (the Fed). The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven member Board of Governors known as the “Federal Reserve Board” and headed by its Chairman.

Finance Committee: A group consisting of the City Manager, Finance Director and Mayor, or his/her appointee from Council with positions reviewed by the Mayor on an annual basis.

General Obligation Bonds (GOs): Bonds secured by the pledge of the municipal issuer’s full faith and credit, which usually includes unlimited taxing power.

Government Bonds: Securities issued by the federal government; they are obligations of the U.S. Treasury. Also known as “governmentals.”

Government Sponsored Enterprise (GSE): Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Some consider GSEs to be stealth recipients of corporate welfare. Examples of GSEs include: FHLB, FHLMC, FNMA and FFCB.

Interest: Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

Interest Rate: The interest payable each year on borrowed funds, expressed as a percentage of the principal.

Investment Advisor: A company that provides professional advice managing portfolios, investment recommendations and/or research in exchange for a management fee.

Investment Portfolio: A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

Investment Securities: Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

Liquidity: The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

Liquidity Component: A percentage of the total portfolio that is dedicated to providing liquidity needs for the City.

Mark to Market: Adjustment of an account or portfolio to reflect actual market price rather than book price, purchase price or some other valuation.

Municipals: Securities, usually bonds, issued by a state or its agencies. The interest on “munis” is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency’s taxation powers.

NRSRO: A “Nationally Recognized Statistical Rating Organization.” A designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating such as Moody’s, S&P, Fitch and Duff & Phelps.

Par Value: The value of a security expressed as a specific dollar amount marked on the face of the security, or the amount of money due at maturity. Par value should not be confused with market value.

Prudent Person Standard: Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee will act with care, skill, prudence, and diligence under the circumstances the prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with

those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the entity.

Rate of Return: Amount of income received from an investment, expressed as a percentage of the amount invested.

State of Oregon Local Government Investment Pool (OSTF – Oregon Short Term Fund): The OSTF is organized pursuant to ORS 294.805 through 294.895. Participation in the Pool will not exceed the maximum limit annually set by ORS 294.810.

Total Return: Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Treasury Bill (T-Bill): An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

Treasury Bonds and Notes: Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

Yield: The annual rate of return on an investment, expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield to Maturity: The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.



REQUEST FOR COUNCIL ACTION

Title: Lease Agreement with FAC for Managed Outreach and Community Resource Facility

Preferred Agenda: February 8, 2022

Submitted By: Blair Larsen, Community & Economic Development Director

Reviewed By: Blair Larsen, Community & Economic Development Director

Type of Action: Resolution ____ Motion X Roll Call ____ Other ____

Relevant Code/Policy: SHMC §15.01.090, SHMC §15.03.020

Towards Council Goal: Aspiration I, desirable community; Aspiration IV, viable and sustainable essential services; Aspiration V, economically strong environment; Goal 3: essential services.

Attachments: Lease Agreement with FAC
Lease Agreement Exhibit A
Draft Facility Site Plan

Purpose of this RCA:

The purpose of this Request for Council Action is to present a lease agreement with Family Assistance and Resource Center Group (FAC) for a Managed Outreach and Community Resource Facility primarily directed at unsheltered members of the community, located at the City's Public Works Yard.

Background/Context:

City of Sweet Home residents have suffered from homelessness and the effects of homelessness for many years. Recent court decisions have limited the City's ability to enforce any ordinances restricting urban camping, sleeping, or otherwise occupying public rights-of-way or public property. For many reasons, the problem has only grown worse in recent years.

Last summer, the State legislature passed a bill exempting facilities for the unsheltered from normal land use rules, removing the City's ability to regulate the location of such facilities if they meet basic safety considerations. This means that an organization can open a facility anywhere in the City if they can do so safely.

For over a year, the City has been working with FAC to create a facility where the unsheltered can keep warm, sleep, and access the services necessary for them to move into permanent housing. Such a facility would enable the City to enforce its urban camping ordinances and direct individuals to the facility, as long as the facility has space available.

Previously, the City and FAC were considering a County-owned property adjacent to the City's Public Works Yard, and began working with Linn County to transfer a parcel to the City. Unfortunately, that process has been delayed due to the environmental state of the property,

and it is unknown how long it will be before the property is ready to host a facility. City Staff then identified an area behind the current City Hall which is large enough for the planned facility, but member of the public and the Council determined it was not an appropriate site. At the special Council meeting on February 1, the City Council directed Staff to locate the facility at the Public Works Yard, with the intention that it be moved from there to the adjacent County-owned land when that parcel is ready for development.

Development at this site will require relocation of the historic train depot that currently sits on the property. The depot was dragged to that spot many years ago, and the City's intention has been to eventually relocate it and have it renovated to serve as an actual train stop. However, the City has been unable to find an appropriate site. The building is in serious disrepair, and staff is concerned about its ability to survive a move. There is space for the depot elsewhere on the property.

Attached to this request is a proposed lease agreement with FAC for a portion of the City's Public Works Yard, where FAC can provide services for the unsheltered. In addition, attached is a proposed site plan.

The Challenge/Problem:

How does the City address the impacts of homelessness in a way that meets the needs of the housed, unhoused, and business community, while still following case law and State statutes?

Stakeholders:

- Sweet Home Residents – Residents deserve a neat, clean, and orderly city. Unsheltered residents need a place to sleep and keep warm.
- Sweet Home Businesses – Local businesses deserve a city in which they can operate their businesses and serve customers in the community without the negative impacts that typically accompany homelessness.
- Sweet Home City Council – Council members are the voice of the citizens they serve and represent and are responsible for determining the uses and services offered on City property.
- City of Sweet Home Staff – City Staff need to be able to enforce Sweet Home ordinances but are prevented from doing so by court decisions and State law. In addition, Staff need authorization from the Council regarding the proposed lease with FAC.
- Family Assistance and Resource Center Group – FAC desires to serve the unsheltered and others in the community, but needs a site from which to do so, and would like to cooperate with the City to do this.

Issues and Financial Impacts:

FAC has obtained grant funding of over \$400,000 to create and operate the proposed facility. This funding will cover all development costs except for Public Works Staff time, the value of which is expected to amount to \$15,000. The City budgeted \$50,000 in the current fiscal year to address homelessness, of which \$42,700 remains. This funding would be tapped to pay for Public Works Staff time. In addition, the City would commit to providing nighttime security at the site, which is expected to cost approximately \$88,000 annually.

Elements of a Stable Solution:

An ideal outcome would be to partner with a non-profit organization for the creation and operation of a facility that provides services for the unsheltered, which would allow the City to follow court decisions and State statutes, but still enforce ordinances that promote a safe, clean, and orderly community.

Options:

1. Do Nothing – Make no agreement with FAC and allow the homelessness situation to continue as it is.

2. Motion to approve the Lease Agreement with FAC as presented – This would allow City Staff and FAC to move forward with the development of the facility.
3. Motion to approve the Lease Agreement with FAC with changes – The Council may approve the agreements with identified changes. This does not guarantee that FAC would agree to the changes.
4. Direct staff to investigate other options – Direct staff to research other ways to comply with State Law and address the problem of homelessness in our community.

Recommendation:

Staff recommends option 2: Motion to approve the Lease Agreement with FAC as presented.

LEASE AGREEMENT
FOR CITY REAL PROPERTY BY FAC
with Hold Harmless and Indemnification Provisions

THIS AGREEMENT is made this _____ day of February of 2022, between City of Sweet Home, an Oregon Municipal Corporation, hereinafter called the "Lessor" and Family Assistance and Resource Center Group aka FAC, hereinafter called the "Lessee."

WITNESSETH: In consideration of the covenants hereinafter set forth, the Lessor does hereby lease, demise and let unto the Lessee, and the Lessee does hereby lease and rent from the Lessor, the real property located at 1400 24th Avenue, Sweet Home OR 97386, with an area depicted as the blue area as shown in Exhibit "A" attached hereto.

RECITALS: This Lease is authorized by ORS 271.310 (Governmental Body Lease) and is entered into by the Parties for the health, safety and general welfare of the public which is benefited thereby and is part of the consideration herein.

The Parties understand that the Lessee intends to have a homeless sleep center and facility managed by employees and volunteers of FAC on the premises and shall be known as the Managed Outreach and Community Resource Facility and which shall include a sleep center.

In consideration of the mutual promises of the parties hereto, it is agreed as follows:

- 1) TERM: The term of this Lease shall commence on _____ 2022, and continue until terminated by a party hereto as stated in Subsection 31 of the Lease. In compliance with ORS 271.310 this Lease shall not exceed 99 years.
- 2) RENT: Lessee shall pay \$1.00 for the whole term, which Lessee agree to pay upon the Lessor executing the lease.
- 3) LESSEE'S ACCEPTANCE OF LEASE: Lessee accepts said letting and agrees to pay to the order of the Lessor, the rent above stated.
- 4) AUTHORIZED USE: Lessee shall use the leased premises for the purpose of a managed unsheltered sleep center and facility. Lessee shall not use or occupy the premises for any other purpose without the written consent of Lessor being first had and obtained. Lessee shall comply with all applicable Federal, State, and local laws and regulations regarding operations for the sleep center and facility including but not limited to pollution, discharge, and environmental regulations. Lessor is not, by virtue of this Lease, a partner or joint venture with Lessee in connection with the operation carried on under this Lease, and Lessor shall have no obligation with respect to Lessee's debts or other liabilities. Lessee is independent of Lessor, and Lessee's employees and volunteers shall not be deemed to be employees and volunteers of Lessor.
- 5) HAZARDOUS SUBSTANCES: Lessee shall not cause or permit any Hazardous Substance to be received, spilled, leaked, disposed of, or otherwise released on or under the premises. Lessee may use or otherwise handle on the premises only those Hazardous Substances typically used or sold in the prudent and safe operation of the sleep center and facility specified in Section 4. Lessee may store such Hazardous Substances on the premises only in quantities necessary to satisfy Lessee's reasonably

anticipated needs. Lessee shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity of Hazardous Substances used, handled, or stored on the premises. Upon the expiration or termination of this Lease, Lessee shall remove all Hazardous Substances from the premises, clean up any and all Hazardous Substances caused by the Lessee, and Lessee agrees to and shall indemnify and hold Lessor harmless against any and all claims and demands arising from the negligence of the Lessee, Lessee's officers, agents (includes volunteers), invitees, and/or employees, as well as those arising from Lessee's failure to comply with any covenant of this Lease on Lessee's part to be performed, and shall at Lessee's own expense defend the Lessor against any and all suits or actions arising out of such negligence, actual or alleged, and all appeals therefrom and shall satisfy and discharge any judgment which may be awarded against Lessor in any such suit or action. The term Environmental Law shall mean any Federal, State, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety, or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious, or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

- 6) PAYMENT OF UTILITIES: Lessee shall pay all charges for water, sewer, electricity, security alarm, and other public and private utilities used on the leased premises throughout the term of this Lease.
- 7) REPAIRS AND IMPROVEMENTS: Lessor shall not be required to make any repairs, alterations, additions, or improvements to or upon said premises during the term of this Lease.
- 8) MAINTENANCE OF PROPERTY: The Lessee agrees to keep and maintain said premises and all improvements, alterations, additions, fixtures, and equipment now or hereinafter placed or make thereon in a first-class condition, so that the same will always be neat, clean, and attractive, and in a good state of repair, damage by fire or other casualty excepted, and shall be at no expense to the Lessor. The Lessee agrees not to commit any strip nor waste of said premises, nor to permit said premises to be used for any unlawful purposes or in violation of any of the laws, ordinances or regulations of the United States, the State of Oregon, the City of Sweet Home and Linn County.
- 9) IMPROVEMENTS BY LESSEE: Lessee shall not make improvements on the premises without the written consent of Lessor which shall not be unreasonably withheld.

Lessee further agrees that all improvements made upon said leased premises, except for those shown on the attached site plan that is part of Exhibit A, shall be removed by Lessee, at Lessee's expense, upon the termination of the Lease except Lessor, at its own option, can require Lessee to leave said improvements and if left shall become the property of Lessor.

- 10) ERECTION OF SIGNS: Lessee may place suitable signs on the leased premises for the purpose of indicating the nature of the facility, provided, however, that such signs shall be in conformance with the laws and ordinances of the State of Oregon and the City of Sweet Home, and provided further that such signs will not damage leased premises in

any manner.

- 11) PRUNING AND WATERING LANDSCAPE VEGETATION: Lessee agrees to prune, water, mow and maintain the landscape vegetation on the property as needed and keep the property neat and clean of litter, debris, and rubbish and in compliance with City ordinances and codes at all times.
- 12) RIGHT OF ENTRY BY LESSOR: Lessee will at any and all reasonable times permit and allow the Lessor and its agents and representatives to enter and go upon said leased premises or any part thereof for the purpose of examining the condition of the same or for any other lawful purpose.
- 13) PAYMENT OF TAXES AND OTHER ASSESSMENTS: Lessee shall be responsible for any Linn County real property taxes, if any, on the premises during the lease term.
- 14) PAYMENT OF FIRE INSURANCE PREMIUMS: Lessee shall carry fire insurance on the structures on the leased premises. Lessee shall provide Lessor with a copy of the fire insurance policy in effect upon the property and the Lessor shall be named as an additional insured thereon. The Lessee's fire insurance shall be the primary fire insurance and the Lessee shall provide the Lessor with a Certificate of Insurance.
- 15) ASSIGNMENT AND SUBLETTING: The Lease cannot be assigned, and the premises sublet by Lessee without the Lessor's prior written consent. Any such assignment or subletting shall in no way affect the personal liability of the Lessee for the complete performance and payment of all obligations due hereunder.
- 16) DAMAGE OR DESTRUCTION: In the event of damage to said structures by fire or other casualty the Lessee can rebuild at its own expense.
- 17) LIABILITY INSURANCE: Lessee agrees to hold Lessor harmless and defend Lessor from any and all claims and demands of any and every kind that may be made against Lessor by reason of or on account of any injury or damage of any kind received or sustained during the term of this Lease by any person or property, arising out of the operations conducted by Lessee on said leased premises. Lessee further agrees at all times during the term of this Lease, at the expense of Lessee, to maintain, keep in effect, furnish and deliver to Lessor liability insurance policies in form and with an insurer satisfactory to the Lessor, insuring both the Lessor and the Lessee against all Liability for damages to persons or property in or about said leased premises. The amount of said liability insurance shall not be less than \$2,000,000.00 for injury to one person, \$2,000,000.00 for injuries arising out of any one accident and not less than \$2,000,000.00 for property damage. Lessee agrees to furnish Lessor with evidence of such insurance and the maintenance of policies during the entire term of this Lease. The Lessee's insurance policy shall name Lessor as an additional insured. The Lessee's liability insurance shall be the primary liability insurance and the Lessee shall provide the Lessor with a Certificate of Insurance and an additional insurance endorsement naming the City of Sweet Home on the insurance policy.
- 18) INJURIES AND PROPERTY DAMAGE: Lessee shall indemnify and hold harmless Lessor from any and all claims of any kind or nature arising from Lessee's use of the premises, except such as might result from the negligence of the Lessor or Lessor's

representatives. Lessee shall at all times during the term of this Lease insure and be responsible for any personal property placed upon the premises.

- 19) EMINENT DOMAIN: In case of the condemnation or purchase of all or any substantial part of the said demised premises by any public or private corporation with the power of condemnation, this Lease may be terminated, effective on the date possession is taken, by either party hereto on written notice to the other and in that case the Lessee shall not be liable for any rent after the termination date. Lessee shall not be entitled to and hereby expressly waives any right to any part of the condemnation award or purchase price.
- 20) SURRENDER OF PREMISES: Lessee agrees to quit and deliver up said premises at the expiration of the term thereof, or any sooner termination, in a first-class condition as the same now is, ordinary wear and tear, grading and damage by fire or other casualty excepted.
- 21) HOLDING OVER: In the event the Lessee for any reason shall hold over after the expiration of this Lease, such holding over shall not be deemed to operate as a renewal or extension of this Lease but shall only create a tenancy at sufferance which may be terminated at will at any time by the Lessor.
- 22) DEFAULT: Any default by the Lessee in the conditions and provisions of this Lease shall enable Lessor, after a thirty (30) day notice to the Lessee given as specified in this Lease requiring Lessee to fulfill such conditions and provisions, and on the failure of Lessee to do so, to take and use any and all remedies, legal or equitable, to secure the performance of this Lease, or its termination, and damages and expense of its breach, including attorney's fees and costs. This subsection is subject to the Termination subsection herein which provides that this Lease can be terminated with fifteen (15) days written notice to the other party.
- 23) LIENS: The Lessee will not permit a lien or encumbrance of any kind, type or description to be placed or imposed upon the leased property.
- 24) NOTICES: Any notice required or permitted to be given hereunder shall be deemed sufficient, if in writing and given by hand delivery to the City Manager for the City at the below address and to the person in charge of the Managed Outreach and Community Resource Facility at the time of service who is on site for the Contractor; or if given by a communication in writing by United States mail, postage prepaid and addressed as follows: If to the City at the following address: 3225 Main Street, Sweet Home, Oregon 97386 , and if to the Contractor at the following address: PO Box 714, Lebanon, OR 97355. Any such notice shall be deemed conclusively to have been delivered to the address thereof forty-eight (48) hours after the deposit thereof in said United States mails.
- 25) RIGHTS OF SUCCESSORS AND ASSIGNS: This Lease shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto and to their agents, subcontractors, employees, and volunteers.
- 26) ATTORNEY'S FEES AND COURT COSTS: In the event any party shall institute and prevail in any action or suit for the enforcement of any of their rights hereunder, the party at fault will pay to the other party reasonable attorney's fees and account thereof, plus their costs and expenses incurred therein, and attorney's fees and costs on any appeal to

any court shall be allowed to the party prevailing.

- 27) WAIVER: Failure by Lessor at any time to require performance of any of the provisions hereof shall in no way affect Lessor's rights hereunder to enforce the same, nor shall any waiver by Lessor of any breach hereof be held to be a waiver of any succeeding breach or a waiver of this non-waiver clause.
- 28) TIME: Time is of the essence of this Lease and every term, covenant and condition therein contained.
- 29) LANGUAGE: The language in all parts of this Lease shall be in all cases construed simply according to its fair meaning and not strictly for or against Lessor or Lessee.
- 30) COUNTERPARTS: This Lease may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on the parties notwithstanding the parties are not signatories to the same counterpart. Each copy of this Lease so executed shall constitute an original.
- 31) TERMINATION: Either party can terminate this Agreement with fifteen (15) days written notice to the other party for cause or without cause, no reason need be stated.

City Manager Pro Tem Date
City of Sweet Home, OR

Brock Byers Date
FAC Director

Mayor Greg Mahler Date
City of Sweet Home, OR

Shirley Byrd Date
FAC Chairperson



Exhibit "A"
1550 - 24th Avenue
Temporary Managed Homeless Support Site Map

City of Sweet Home, CEDD. 11/29/2021
3325 Main Street, Sweet Home OR 97386

Area Utilities, Primary 24th Ave Acc
LCRVD & Homeless Support Servi

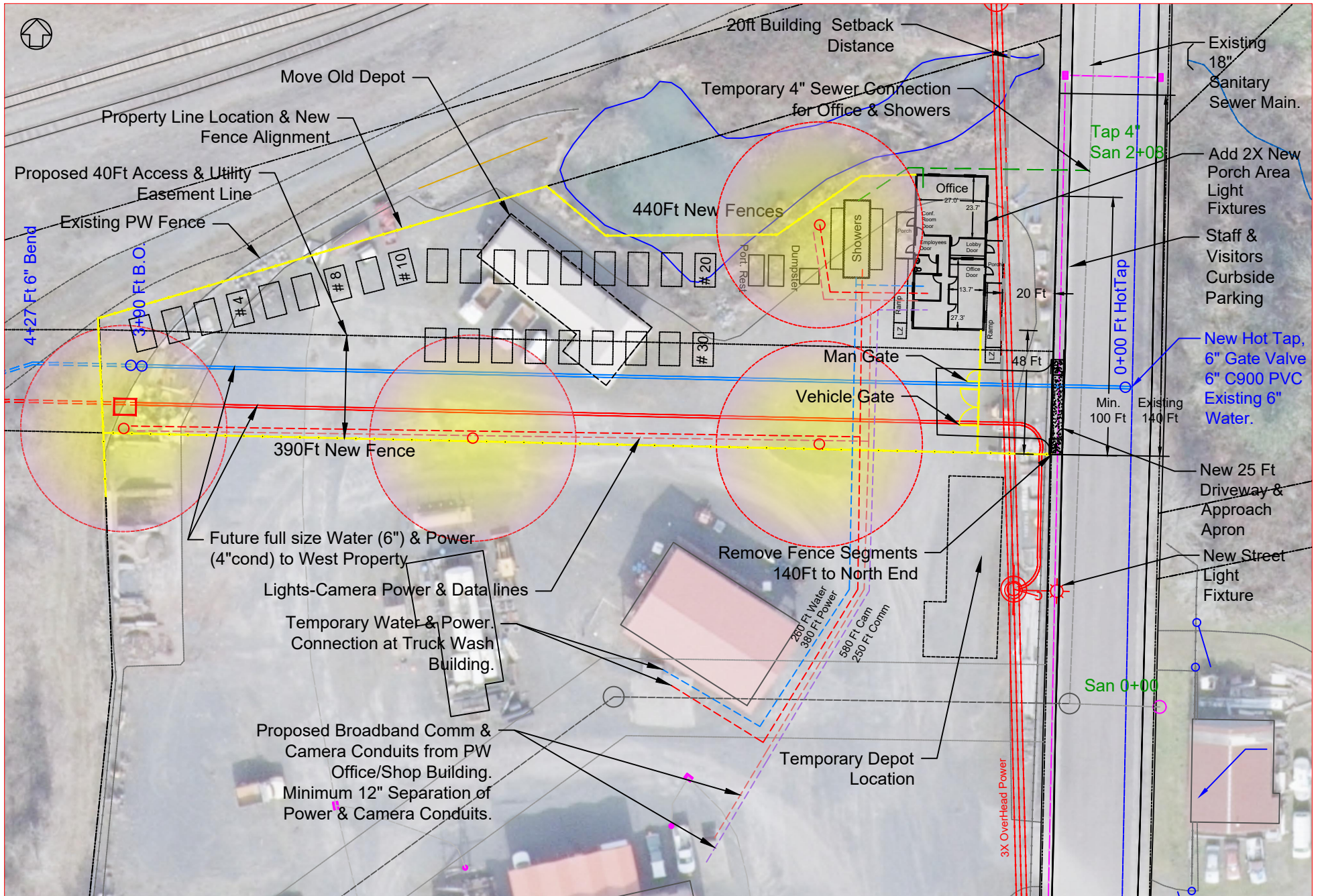


Exhibit "A"
1550 - 24th Avenue

Utility Map - Perm Water Power, Lights, & Camera

City of Sweet Home, CEDD. 11/29/2021
 3325 Main Street, Sweet Home OR 97386

Area Utilities, Primary 24th Ave Acc
 Managed Homeless Support



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action – Lumen (formally Centurylink) Franchise Agreement

Preferred Agenda: February 8, 2022

Submitted By: Julie Fisher, Administrative Services Manager

Reviewed By: Blair Larsen, Community and Economic Development Director

Type of Action: Resolution ____ Motion X Roll Call ____ Other ____

Relevant Code/Policy: Type Code/Policy Here

Towards Council Goal: We Aspire to have an effective and efficient local government
We Aspire to provide viable and sustainable essential services
Economic Strength – Collaborate with regional partners

Attachments: Ordinance Bill No. 2 for 2022 – Track Changes
Ordinance Bill No. 2 for 2022 - Final

Purpose of this RCA:

To update the franchise agreement with Centurylink

Background/Context:

The previous franchise agreement with Centurylink was granted in 2010. The franchise agreement specifies terms and conditions for use of City rights of ways and City property for the construction and operation of telecommunication systems within the City of Sweet Home. The new agreement is for ten years and will replace Ordinance Bill No. 2 adopted in 2010.

The Challenge/Problem:

Should the City adopt Ordinance Bill No. 2 for 2022, an ordinance granting a Franchise Agreement to Lumen (formally Centurylink) for the operation of telecommunication service within the City of Sweet Home?

Stakeholders:

- Citizens of Sweet Home–
- Lumen (Centurylink) –
- City Council–

Issues and Financial Impacts:

The Franchise agreement provides for 7% of applicable revenues to be paid to the City for use of City rights of ways and other properties. City Attorney Snyder has confirmed this percentage is the most the City can collect for this franchise.

Elements of a Stable Solution:

Authorize Ordinance Bill No. 2 for 2022 allowing for a franchise agreement with Lumen.

Options:

1. Option #1– Do Nothing.
2. Option #2 – Make a motion to approve Ordinance Bill No. 2 for 2022 and move for a first reading.
3. Option #3– Direct staff to make additional revisions

Recommendation:

Staff recommends Option #2 – Make a motion to approve Ordinance Bill No. 2 for 2022 and move for a first reading.

ORDINANCE NO. 2 FOR 2022
ORDINANCE NO.

AN ORDINANCE GRANTING A FRANCHISE BY THE CITY OF SWEET HOME TO LUMEN TECHNOLOGIES, dba CENTURYLINK, ITS SUCCESSORS AND ASSIGNS, THE RIGHT TO FURNISH, SELL AND DISTRIBUTE TELECOMMUNICATIONS SERVICES TO THE CITY AND TO ALL PERSONS, BUSINESSES AND INDUSTRIES WITHIN THE CITY AND THE RIGHT TO ACQUIRE, CONSTRUCT, INSTALL, LOCATE, MAINTAIN, OPERATE AND EXTEND INTO, WITHIN AND THROUGH SAID CITY ALL FACILITIES REASONABLY NECESSARY TO FURNISH, SELL AND DISTRIBUTE A TELEPHONE PLANT, TRANSMISSION LINE OR LINES AND TO TRANSMIT COMMUNICATIONS IN AND TO THE CITY OF SWEET HOME TO ALL PERSONS, BUSINESSES AND INDUSTRIES WITHIN THE CITY AND THE RIGHT TO MAKE REASONABLE USE OF ALL STREETS AND OTHER PUBLIC PLACES AS MAY BE NECESSARY, AND FIXING THE TERMS AND CONDITIONS THEREOF.

THE CITY OF SWEET HOME DOES ORDAIN AS FOLLOWS:

ARTICLE I - Definitions

For the purpose of this franchise, the following words and phrases shall have the meaning given in this Article. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined in this Article shall be given their common and ordinary meaning.

1.1 "City" refers to and is the City of Sweet Home, Linn County, Oregon, and includes the territory as currently is or may in the future be included within the corporate boundaries of the City of Sweet Home.

1.2 "City Council" refers to and is the legislative body of the City of Sweet Home.

1.3 "Company" refers to and is Lumen Technologies dba CenturyLink and its successors and assigns.

1.4 "Communications Facilities" refer to and are only those facilities reasonably necessary to provide telecommunications services within the City.

1.5 "Facilities" refer to and are all facilities reasonably necessary to provide telecommunications services into, within and through the City and include plants, works, systems, lines, equipment, underground links, switches, wires and radio links.

1.6 "Public Utility Commission" refers to and is the Public Utility Commission of the State of Oregon or other authority succeeding to the regulatory powers of the Public Utility Commission of the State of Oregon.

1.7 "Revenues" refer to and are those amounts of money which the Company receives from its customers within the City for the sale of exchange access services, as authorized by ORS 221.515 and 403.105, from the Company under rates, temporary or permanent, authorized by the Public Utility Commission, adjusted for refunds, the net write-off of uncollectible accounts, corrections or other regulatory adjustments.

1.8 "Streets and Other Public Places" refer to and are streets, alleys, viaducts, bridges, roads, lanes, easements, public ways and other public places in said City.

ARTICLE II - Grant of Franchise

Section 1. Grant of Franchise. The City hereby grants to the Company, for the period specified and subject to the conditions, terms and provisions contained in this Ordinance, the right to furnish, sell and distribute any telecommunications or telecommunications-related services to the City and to all persons, businesses and industries within the City; a non-exclusive right to acquire, construct, install, locate, maintain, operate and extend into, within and through the City all facilities reasonably necessary to provide communication facilities to the City and to all persons, businesses and industries within the City; and a non-exclusive right to make reasonable use of all streets and other public places as may be necessary to carry out the terms of this Ordinance.

Section 2. Term of Franchise. The term of this franchise shall be for ten (10) years, beginning _____, 2022 and expiring _____, 2032.

ARTICLE III - Franchise Fee

Section 1. Franchise Fee. In consideration for the grant of this franchise, the Company shall collect and remit to the City a sum equal to seven percent (7%) of the Revenues.

Section 2. Payment Schedule. For the franchise fee owed on revenue received after the effective date of this Ordinance, payment shall be made in quarterly installments due on or before the last day of the month following the end of each calendar year quarter. Payments at the beginning and end of the term of this Ordinance shall be prorated. All payments shall be made to the City Manager. The City Council, or any committee appointed by the City Council, shall have access to the books of the Company for the purpose of auditing or checking to ensure that the franchise fee has been correctly computed and paid.

Section 3. Franchise Fee Payment in Lieu of Other Fees. Payment of the franchise fee by the Company is accepted by the City in lieu of any occupancy tax, license tax, permit charge, inspection fee or similar tax, assessment or excise upon the privilege of doing business or in connection with the physical operation thereof, but does not exempt the Company from any lawful taxation upon its real property, sales and use taxes or any other tax not related to the franchise or the

physical operation thereof, or assessment of fees for building permits or land use permits for structures and construction projects located outside of streets and rights of way.

ARTICLE IV - Conduct of Business

Section 1. Conduct of Business. The Company may establish, from time to time, such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonably necessary to enable the Company to exercise its rights and perform its obligations under this franchise; provided, however, that such rules, regulations, terms and conditions shall not be in conflict with the laws of the State of Oregon or the City of Sweet Home.

Section 2. Tariffs Available Online. The Company shall make available online copies of all its tariffs currently in effect and on file with the Public Utility Commission. Said tariffs shall be available for inspection by the public.

Section 3. Compliance with PUC Regulations. The Company shall comply with all rules and regulations adopted by the Public Utility Commission.

Section 4. Compliance with Company Tariffs. The Company shall furnish communication facilities within the City to the City and to all persons, businesses and industries within the City at the rates and under the terms and conditions set forth in its tariffs on file with the Public Utility Commission.

Section 5. Applicability of Company Tariffs. The City and Company recognize that the lawful provisions of the Company's tariffs on file and in effect with the Public Utility Commission are controlling over any inconsistent provision in this franchise dealing with the same subject matter.

ARTICLE V - Construction, Installation & Operation of Company Facilities

Section 1. Location of Facilities. Company facilities shall not interfere with the City's water mains, sewer mains, gas mains or other municipal use of streets and other public places. Company facilities shall be located so as to cause minimum interference with public use of streets and other public places and shall be maintained in good repair and condition.

Section 2. Excavation and Construction. All construction, excavation, maintenance and repair work done by the Company shall be done in a timely and expeditious manner, which minimizes the inconvenience to the public and individuals. All such construction, excavation, maintenance and repair work done by the Company shall comply with all applicable codes of the City of Sweet Home, the State of Oregon and the United States of America. All public property whose use conforms to restrictions in easements disturbed by Company construction or excavation activities shall be restored as soon as practicable by the Company at its expense to as good as or better than its former condition. The Company shall comply with the City's requests for reasonable and prompt action to remedy all damage to streets or dedicated easements and City utilities contained therein where the Company is performing construction, excavation, maintenance or repair work. The City reserves the right to restore property and remedy damages caused by Company

activities at the expense of Company in the event the Company fails to perform such work within a reasonable time after Notice from the City.

Section 3. Relocation of Company Facilities. If at any time the City requests the Company to relocate any distribution line service connection, or other facility installed or maintained in streets or other public places in order to permit the City to change street grades, pavements, sewers, water mains or other City works, such relocation shall be made by the Company at its expense. The Company is not obligated hereunder to relocate any facilities at its expense, which were installed in private easements obtained by the Company, the underlying fee of which was, at some point subsequent to installation, transferred to the City. Following relocation, all property shall be restored to as good as or better than its former condition by the Company at its expense. The City will reasonably exhaust alternatives not requiring relocation in all cases.

Section 4. Service to New Areas. If during the term of this franchise the boundaries of the City are extended, the Company shall extend service to areas not served by any other telephone company in accordance with the Company's tariffs and applicable laws.

Section 5. Restoration of Service. In the event the Company's communications system, or any part thereof, is partially or wholly destroyed or incapacitated, the Company shall use due diligence to restore its system to satisfactory service within the shortest practicable time.

Section 6. Rules and Regulations. All lines and equipment constructed under this grant shall be constructed in accordance with established practices as prescribed by applicable REA specifications and drawings and the rules and regulations of the Public Utility Commission of the State of Oregon, and its duly or legally constituted successors in authority; and the rights and privileges herein granted in said streets, alleys and public highways shall be subject at all times to such ordinances and reasonable regulations as are now or shall hereafter be ordained or passed by said City concerning similar uses and excavations in the care of streets, alleys and public highways.

Section 7. Safety Regulations by the City. The City reserves the right to adopt, from time to time, reasonable regulations in the exercise of its police power which are necessary to ensure the health, safety and welfare of the public, provided that such regulations are not destructive of the rights granted herein and not in violation of any state or federal laws. The Company agrees to comply with all such regulations, now existing or duly adopted, in the construction, maintenance and operation of its facilities and in the provision of telecommunications services within the City.

Section 8. Inspection, Audit and Quality Control. The City shall have the right to inspect, at all reasonable times, any portion of the Company's system used to serve the City and its residents. The City also shall have the right to inspect and conduct an audit of Company records relevant to compliance with any terms of this Ordinance at all reasonable times, but no more than once per year. The Company agrees to cooperate with the City in conducting the inspection and/or audit and to correct any discrepancies affecting the City's interest in a prompt and efficient manner. Each party shall pay its own expenses in connection with any such audit, unless a material irregularity is found during such audit, in which case the Company shall pay the reasonable cost of such audit.

Section 9. Maps. The Company shall prepare and submit to the City a map showing the location of its distribution system within the City, showing location of all appurtenances incident to the distribution system, insofar as such facilities can reasonably be determined. The map shall be

revised no more frequently than annually by the addition of the information hereby required as the system is extended or revised. The City agrees that any such maps shall not be used by it or disseminated to the public for use in locating underground facilities.

Section 10. Tree Trimming. Subject to the provisions of this ordinance, the Company may prune trees, when necessary, in public right of way, for the operation of the utility lines, wires or other appurtenances, provided such pruning shall be performed by or supervised by a certified arborist, and it shall be done without cost or expense to the City.

The Company shall provide a written notice to the City Public Works Department and property owner and resident at least ten (10) business days prior to any pruning to be done on the property. The City recognizes that a ten (10) day notice may not be possible in emergency situations; however, the City does encourage the Company to provide as much advance notice to property owners and residents as is reasonably possible under such emergency circumstances.

ARTICLE VI - Indemnification of the City

Section 1. City Held Harmless/Insurance. The Company shall maintain its structure, apparatus and other equipment as to afford all reasonable protection against injury or damage to persons or property therefrom, and the Company shall save the City harmless from all liability or damage and all reasonable expenses necessarily accruing against the City arising out of the exercise by the Company of the rights and privileges hereby granted, provided such liability or damage was not caused by the City.

Section 2. Notice to Company. The City will provide prompt notice to the Company of any claim or action against the City arising out of the exercise by the Company of its franchise rights.

Section 3. Payment of Expenses. The Company shall pay for all expenses relating to the publication of notice and ordinances arising out of the process for obtaining this franchise.

ARTICLE VII - Assignment; Saving Clause; Amendment

Section 1. Assignment. The Company shall not transfer or assign any rights under this franchise to a third party, excepting only corporate reorganizations of the Company not including a third party, unless the City shall approve such transfer or assignment in writing. Approval of the transfer or assignment shall not be unreasonably withheld.

Section 2. Saving Clause. If any portion of this franchise Ordinance is declared illegal or void by a court of competent jurisdiction, the remainder of the Ordinance shall survive and not be affected thereby. In such case, the parties shall proceed with due diligence to attempt to draft provisions that will achieve the original intent.

Section 3. Amendment. This franchise agreement may be amended by written amendment, signed by both parties.

Section 4. Replacement. Upon the effective date of this ordinance it shall replace and supersede Ordinance No 2 for 2010, Ordinance No 1216, which was the prior franchise agreement between the parties.

PASSED by the Council and approved by the Mayor this ___rd day of _____,2022.

CITY OF SWEET HOME, OREGON

By: _____

Title: Mayor _____

APPROVED:

Lumen Technologies.
dba CenturyLink

By: _____

General Manager
Oregon / Washington

ATTEST:

City Manager/Ex-Officio City Recorder

ORDINANCE NO. ~~2~~ FOR 20~~22~~
ORDINANCE NO. ~~v~~

AN ORDINANCE GRANTING A FRANCHISE BY THE CITY OF SWEET HOME TO LUMEN TECHNOLOGIES, dba CENTURYLINK, ITS SUCCESSORS AND ASSIGNS, THE RIGHT TO FURNISH, SELL AND DISTRIBUTE TELECOMMUNICATIONS SERVICES TO THE CITY AND TO ALL PERSONS, BUSINESSES AND INDUSTRIES WITHIN THE CITY AND THE RIGHT TO ACQUIRE, CONSTRUCT, INSTALL, LOCATE, MAINTAIN, OPERATE AND EXTEND INTO, WITHIN AND THROUGH SAID CITY ALL FACILITIES REASONABLY NECESSARY TO FURNISH, SELL AND DISTRIBUTE A TELEPHONE PLANT, TRANSMISSION LINE OR LINES AND TO TRANSMIT COMMUNICATIONS IN AND TO THE CITY OF SWEET HOME TO ALL PERSONS, BUSINESSES AND INDUSTRIES WITHIN THE CITY AND THE RIGHT TO MAKE REASONABLE USE OF ALL STREETS AND OTHER PUBLIC PLACES AS MAY BE NECESSARY, AND FIXING THE TERMS AND CONDITIONS THEREOF.

- Deleted: 2
- Deleted: 10
- Deleted: 1216
- Deleted: CENTURYTEL OF OREGON
- Deleted: , INC
- Deleted: .

THE CITY OF SWEET HOME DOES ORDAIN AS FOLLOWS:

ARTICLE I - Definitions

For the purpose of this franchise, the following words and phrases shall have the meaning given in this Article. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined in this Article shall be given their common and ordinary meaning.

1.1 "City" refers to and is the City of Sweet Home, Linn County, Oregon, and includes the territory as currently is or may in the future be included within the corporate boundaries of the City of Sweet Home.

1.2 "City Council" refers to and is the legislative body of the City of Sweet Home.

1.3 "Company" refers to and is Lumen Technologies, dba CenturyLink and its successors and assigns.

- Deleted: CenturyTel
- Deleted: of Oregon, Inc.

1.4 "Communications Facilities" refer to and are only those facilities reasonably necessary to provide telecommunications services within the City.

1.5 "Facilities" refer to and are all facilities reasonably necessary to provide telecommunications services into, within and through the City and include plants, works, systems, lines, equipment, underground links, switches, wires and radio links.

1.6 "Public Utility Commission" refers to and is the Public Utility Commission of the State of Oregon or other authority succeeding to the regulatory powers of the Public Utility Commission of the State of Oregon.

1.7 "Revenues" refer to and are those amounts of money which the Company receives from its customers within the City for the sale of exchange access services, as authorized by ORS 221.515 and ~~403.105~~, from the Company under rates, temporary or permanent, authorized by the Public Utility Commission, adjusted for refunds, the net write-off of uncollectible accounts, corrections or other regulatory adjustments.

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1.8 "Streets and Other Public Places" refer to and are streets, alleys, viaducts, bridges, roads, lanes, easements, public ways and other public places in said City.

ARTICLE II - Grant of Franchise

Section 1. Grant of Franchise. The City hereby grants to the Company, for the period specified and subject to the conditions, terms and provisions contained in this Ordinance, the right to furnish, sell and distribute any telecommunications or telecommunications-related services to the City and to all persons, businesses and industries within the City; a non-exclusive right to acquire, construct, install, locate, maintain, operate and extend into, within and through the City all facilities reasonably necessary to provide communication facilities to the City and to all persons, businesses and industries within the City; and a non-exclusive right to make reasonable use of all streets and other public places as may be necessary to carry out the terms of this Ordinance.

Section 2. Term of Franchise. The term of this franchise shall be for ten (10) years, beginning ~~_____~~, ~~2022~~, and expiring ~~_____~~, ~~2032~~.

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ARTICLE III - Franchise Fee

Section 1. Franchise Fee. In consideration for the grant of this franchise, the Company shall collect and remit to the City a sum equal to seven percent (7%) of the Revenues.

Commented [JF1]: Robert said by law 7% is the most we can ask for

Section 2. Payment Schedule. For the franchise fee owed on revenue received after the effective date of this Ordinance, payment shall be made in quarterly installments due on or before the last day of the month following the end of each calendar year quarter. Payments at the beginning and end of the term of this Ordinance shall be prorated. All payments shall be made to the City Manager. The City Council, or any committee appointed by the City Council, shall have access to the books of the Company for the purpose of auditing or checking to ensure that the franchise fee has been correctly computed and paid.

Section 3. Franchise Fee Payment in Lieu of Other Fees. Payment of the franchise fee by the Company is accepted by the City in lieu of any occupancy tax, license tax, permit charge, inspection fee or similar tax, assessment or excise upon the privilege of doing business or in connection with the physical operation thereof, but does not exempt the Company from any lawful taxation upon its real property, sales and use taxes or any other tax not related to the franchise or the

physical operation thereof, or assessment of fees for building permits or land use permits for structures and construction projects located outside of streets and rights of way.

ARTICLE IV - Conduct of Business

Section 1. Conduct of Business. The Company may establish, from time to time, such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonably necessary to enable the Company to exercise its rights and perform its obligations under this franchise; provided, however, that such rules, regulations, terms and conditions shall not be in conflict with the laws of the State of Oregon or the City of Sweet Home.

Section 2. Tariffs Available Online. The Company shall make available online copies of all its tariffs currently in effect and on file with the Public Utility Commission. Said tariffs shall be available for inspection by the public.

Section 3. Compliance with PUC Regulations. The Company shall comply with all rules and regulations adopted by the Public Utility Commission.

Section 4. Compliance with Company Tariffs. The Company shall furnish communication facilities within the City to the City and to all persons, businesses and industries within the City at the rates and under the terms and conditions set forth in its tariffs on file with the Public Utility Commission.

Section 5. Applicability of Company Tariffs. The City and Company recognize that the lawful provisions of the Company's tariffs on file and in effect with the Public Utility Commission are controlling over any inconsistent provision in this franchise dealing with the same subject matter.

ARTICLE V - Construction, Installation & Operation of Company Facilities

Section 1. Location of Facilities. Company facilities shall not interfere with the City's water mains, sewer mains, gas mains or other municipal use of streets and other public places. Company facilities shall be located so as to cause minimum interference with public use of streets and other public places and shall be maintained in good repair and condition.

Section 2. Excavation and Construction. All construction, excavation, maintenance and repair work done by the Company shall be done in a timely and expeditious manner, which minimizes the inconvenience to the public and individuals. All such construction, excavation, maintenance and repair work done by the Company shall comply with all applicable codes of the City of Sweet Home, the State of Oregon and the United States of America. All public property whose use conforms to restrictions in easements disturbed by Company construction or excavation activities shall be restored as soon as practicable by the Company at its expense to as good as or better than its former condition. The Company shall comply with the City's requests for reasonable and prompt action to remedy all damage to streets or dedicated easements and City utilities contained therein where the Company is performing construction, excavation, maintenance or repair work. The City reserves the right to restore property and remedy damages caused by Company

activities at the expense of Company in the event the Company fails to perform such work within a reasonable time after Notice from the City.

Section 3. Relocation of Company Facilities. If at any time the City requests the Company to relocate any distribution line service connection, or other facility installed or maintained in streets or other public places in order to permit the City to change street grades, pavements, sewers, water mains or other City works, such relocation shall be made by the Company at its expense. The Company is not obligated hereunder to relocate any facilities at its expense, which were installed in private easements obtained by the Company, the underlying fee of which was, at some point subsequent to installation, transferred to the City. Following relocation, all property shall be restored to as good as or better than its former condition by the Company at its expense. The City will reasonably exhaust alternatives not requiring relocation in all cases.

Section 4. Service to New Areas. If during the term of this franchise the boundaries of the City are extended, the Company shall extend service to areas not served by any other telephone company in accordance with the Company's tariffs and applicable laws.

Section 5. Restoration of Service. In the event the Company's communications system, or any part thereof, is partially or wholly destroyed or incapacitated, the Company shall use due diligence to restore its system to satisfactory service within the shortest practicable time.

Section 6. Rules and Regulations. All lines and equipment constructed under this grant shall be constructed in accordance with established practices as prescribed by applicable REA specifications and drawings and the rules and regulations of the Public Utility Commission of the State of Oregon, and its duly or legally constituted successors in authority; and the rights and privileges herein granted in said streets, alleys and public highways shall be subject at all times to such ordinances and reasonable regulations as are now or shall hereafter be ordained or passed by said City concerning similar uses and excavations in the care of streets, alleys and public highways.

Section 7. Safety Regulations by the City. The City reserves the right to adopt, from time to time, reasonable regulations in the exercise of its police power which are necessary to ensure the health, safety and welfare of the public, provided that such regulations are not destructive of the rights granted herein and not in violation of any state or federal laws. The Company agrees to comply with all such regulations, now existing or duly adopted, in the construction, maintenance and operation of its facilities and in the provision of telecommunications services within the City.

Section 8. Inspection, Audit and Quality Control. The City shall have the right to inspect, at all reasonable times, any portion of the Company's system used to serve the City and its residents. The City also shall have the right to inspect and conduct an audit of Company records relevant to compliance with any terms of this Ordinance at all reasonable times, but no more than once per year. The Company agrees to cooperate with the City in conducting the inspection and/or audit and to correct any discrepancies affecting the City's interest in a prompt and efficient manner. Each party shall pay its own expenses in connection with any such audit, unless a material irregularity is found during such audit, in which case the Company shall pay the reasonable cost of such audit.

Section 9. Maps. The Company shall prepare and submit to the City a map showing the location of its distribution system within the City, showing location of all appurtenances incident to the distribution system, insofar as such facilities can reasonably be determined. The map shall be

revised no more frequently than annually by the addition of the information hereby required as the system is extended or revised. The City agrees that any such maps shall not be used by it or disseminated to the public for use in locating underground facilities.

Section 10. Tree Trimming. Subject to the provisions of this ordinance, the Company may prune trees, when necessary in public right of way, for the operation of the utility lines, wires or other appurtenances, provided such pruning shall be performed by or supervised by a certified arborist, and it shall be done without cost or expense to the City.

The Company shall provide a written notice to the City Public Works Department and property owner and resident at least ten (10) business days prior to any pruning to be done on the property. The City recognizes that a ten (10) day notice may not be possible in emergency situations; however, the City does encourage the Company to provide as much advance notice to property owners and residents as is reasonably possible under such emergency circumstances.

ARTICLE VI - Indemnification of the City

Section 1. City Held Harmless/Insurance. The Company shall maintain its structure, apparatus and other equipment as to afford all reasonable protection against injury or damage to persons or property therefrom, and the Company shall save the City harmless from all liability or damage and all reasonable expenses necessarily accruing against the City arising out of the exercise by the Company of the rights and privileges hereby granted, provided such liability or damage was not caused by the City.

Section 2. Notice to Company. The City will provide prompt notice to the Company of any claim or action against the City arising out of the exercise by the Company of its franchise rights.

Section 3. Payment of Expenses. The Company shall pay for all expenses relating to the publication of notice and ordinances arising out of the process for obtaining this franchise.

ARTICLE VII - Assignment; Saving Clause; Amendment

Section 1. Assignment. The Company shall not transfer or assign any rights under this franchise to a third party, excepting only corporate reorganizations of the Company not including a third party, unless the City shall approve such transfer or assignment in writing. Approval of the transfer or assignment shall not be unreasonably withheld.

Commented [JF2]: Robert is unsure we need this. By changing from Centurlink to Lumen was a transfer to a third party

Section 2. Saving Clause. If any portion of this franchise Ordinance is declared illegal or void by a court of competent jurisdiction, the remainder of the Ordinance shall survive and not be affected thereby. In such case, the parties shall proceed with due diligence to attempt to draft provisions that will achieve the original intent.

Section 3. Amendment. This franchise agreement may be amended by written amendment, signed by both parties.

Section 4. Replacement. Upon the effective date of this ordinance it shall replace and supersede Ordinance No ~~2~~ for ~~2010~~, Ordinance No ~~1216~~, which was the prior franchise agreement between the parties.

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PASSED by the Council and approved by the Mayor this 23rd day of Feb, ~~2022~~.

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CITY OF SWEET HOME, OREGON

By: _____

Title: Mayor _____

APPROVED:

Lumen Technologies.
dba CenturyLink

Deleted: CenturyTel of Oregon, Inc

By: _____
General Manager
Oregon / Washington

ATTEST:

City Manager/Ex-Officio City Recorder

ORDINANCE BILL NO. 1 FOR 2022

ORDINANCE NO. 1301

SWEET HOME ORDINANCE AMENDING CERTAIN SECTIONS OF SHMC CHAPTER 15.01 ADMINISTRATION AND ENFORCEMENT--BUILDING CODE AND SHMC CHAPTER 15.03 VARIOUS CODES WITH EXPEDIENCY CLAUSE

WHEREAS, The City of Sweet Home needs to synchronize its code with the state law for the appeal process to operate in an effective manner; and,

WHEREAS, The City of Sweet Home desires to specify some of the functions of the Building Official,

NOW THEREFORE,

The City of Sweet Home does ordain as follows:

Section 1. SHMC §15.01.090(A) first sentence is amended to read as follows:

A. In order to hear and decide appeals of orders, decisions or determinations made by the Building Official relating to the waiver of a plan review, an inspection, a provision of the building code, or an alternative material, design or method of construction interpretation by the Building Official with regard to the building code, there shall be and is hereby created a Board of Appeals.

Section 2. SHMC §15.01.090(A)(1) is amended to read as follows:

1. The Board of Appeals shall consist of the Building Official of Linn County or an adjacent county and members who are qualified by experience and training to pass on matters pertaining to building construction and who are not employees of the City of Sweet Home. An individual who engages in the business of building design or construction may be a member of the board, but may not hear an appeal of a contract building official's discretionary decision concerning a project that involves a business, or competitor of a business, that: a. the individual owns or manages or for which the individual provides services as an employee, agent or contractor; or b. a family member or a member of the individual's householder owns or manages or for which the family member or member of the household provides services as an employee, agent or contractor.

Section 3. SHMC §15.01.090(A)(2) is amended to read as follows:

2. The Board of Appeals cannot include a contract building official or an owner, manager, director, officer or employee of a person that performs building inspections.

Section 4. SHMC §15.03.020 is amended to read as follows:

The Building Official has authority to enforce Sweet Home Municipal Code Titles 15, 16, and 17. Such enforcement may include but is not limited to:

- A. Inspections and Investigations
- B. Issuance of Stop Work Orders
- C. Occupancy Violations
- D. Imposition of Civil Penalties

Section 5. EXPEDIENCY CLAUSE. It is hereby adjudged and declared by the Sweet Home City Council that existing conditions are such that this ordinance is needed to be in effect at the time and date of its passage by the City Council and approval by the Mayor and it is hereby declaring an emergency to promote the public health, safety and welfare.

PASSED by the Council and approved by the Mayor this 8th day of February, 2022.

Mayor

ATTEST:

City Manager - Ex Officio City Recorder



2021 Opportunity to Recycle Report

City of Sweet Home

GENERAL REQUIREMENTS AND LOCAL GOVERNMENT PROGRAM ELEMENTS

Please check the boxes that describe the recycling activities that are occurring in your jurisdiction. You must also include examples and documentation of all education and promotional activities that are being implemented. If possible, please submit report and documentation electronically. (Note: This form is merely a summary of DEQ's requirements. The complete Opportunity to Recycle rules can be found in Oregon Administrative Rules OAR 340 090 0030, OAR 340 090 0040, OAR 340 090 0041 and OAR 340 090 0042.

Collection Programs Providing the Opportunity to Recycle

Please fill out the following table to indicate all the recycling collection programs that are providing required components of the Opportunity to Recycle in your jurisdiction. Check off which materials are included in each collection program. For residential curbside programs, please also indicate the frequency of collection and whether a free roll cart (C) or bin (B) is provided, or if no container (N) is provided. If the local government has selected Program Element (g) Expanded Recycling Drop-Off Depots to collect recyclable materials, please list the drop-off depots in the blue section below.

			Paper				Metal			Plastic				Other					
	Container: C=Cart, B=Bin, N=None	Frequency: W=Weekly, M=Monthly, E=Every other week, N=None	Cardboard & brown paper (Occ)	Newspaper (Onp)	Hi-grade (office) paper (Hi)	Mixed scrap paper (junk mail, etc) (Mwp)	Steel (tinned) cans (Ti)	Aluminum containers, foil (Al)	Other scrap metal	Plastic bottles (minimum PET, HDPE) (Pb)	Plastic tubs (minimum HDPE, PP)	Other rigid plastic - not containers (Mp)	Plastic film (polyethylene)	Container glass (Gl)	Used motor oil (Uo)	Yard debris (Yd)	Wood waste (Ww)	Food waste (Fw)	Other
Residential commingled	C	F	X	X	X	X	X		X										
Residential yard debris	C	F													X				
Residential materials not collected in the commingled container above	B	F											X						
Multifamily collection			X	X	X	X	X		X				X						
Commercial collection			X	X	X	X	X		X				X						
Expanded Recycling Depot: (list of "Element g" depots)																			
Transfer Station 1325 18 th Ave			X	X	X	X	X	X	X				X	X	X	X			
Used Antifreeze																		X	

GENERAL REQUIREMENTS OAR 340-090-0030

The Opportunity to Recycle General Requirements require that the appropriate city, county or metropolitan service district must ensure that on-route recycling collection is provided to all collection service customers within the urban growth boundary of the city, and that a public education and promotion program is provided that meets the rule requirements, or that an approved alternative program meeting the requirements of OAR-340-90-0080 is being implemented.

Yes **No** Are ALL collection service customers within the city and applicable urban growth boundary being offered the opportunity to recycle in accordance with OAR 340-090-0030?

If "No", please explain : _____

Please list below the companies or organization(s) that are providing on-route recycling collection services in your jurisdiction:

- | | |
|---------------------------------|----------|
| 1) <u>Sweet Home Sanitation</u> | 4) _____ |
| 2) _____ | 5) _____ |
| 3) _____ | 6) _____ |

Yes **No** Is a public education & promotion program being provided that meets the minimum general requirements of OAR 340-090-0030(3)? *Include examples and documentation of all education and promotional activities. If possible, please submit all documentation electronically.*

- Provide initial notice to all residential and commercial generators of their opportunity to recycle.
- Provide a semi-annual notice of the opportunity to recycle, including: *materials collected, collection schedule, material preparation instructions, and why recycling is important.*
- Provide educational and promotional materials to local media. *Examples would be newspapers, television & radio stations, community groups, neighborhood associations, newsletters, social media, etc.*
- _____ is the official contact person for recycling education and promotion in our jurisdiction.
- Have a procedure for citizen involvement in the city's education and promotion program. *This is usually a solid waste advisory committee or contact person.*
- Distribute written recycling information describing how and what to recycle and why it is important to recycle, to disposal site users when site attendants are present.
- Have posted signs at non-attended disposal sites notifying users of materials accepted and hours of operation

LOCAL GOVERNMENT RECYCLING PROGRAM ELEMENTS OAR 340-090-0040

In addition to the general requirements, each city with a population over 4,000 or any county responsible for the area between the city limits and urban growth boundary shall implement additional recycling program elements. For 2021, the city must implement any four elements, a through m below. Please check the box for all recycling program elements being implemented in the city and within the urban growth boundary of the city. Checking a box means that you certify that the element is being fully implemented in your city in compliance with OAR 340 90 0040(3)

a) Residential Recycling Containers

Deliver to each residential collection service customer at least one durable recycling container.

b) Weekly Same-Day-As Garbage Residential Curbside Collection

Provide on-route collection at least once each week of source separated recyclable materials, excluding yard debris, to residential collection service customers provided on the same day that solid waste is collected from each customer.

c) Expanded Education and Promotion (including a contamination reduction education plan-CREP)

Provide a recycling education and promotion program that is expanded from the minimum requirements described in the General Requirements OAR 340-090-0030(3) (include examples and documentation of all education and promotional activities. Please provide documentation). At a minimum this program must include:

- Informing all solid waste generators how to and the benefits of waste prevention, reuse, recycling, and composting.
- Distributing an information packet to all new residential and commercial collection service customers;
- Providing information to all existing residential and commercial collection service customers four times a calendar year; *This information shall include: materials collected, collection schedule, material preparation instructions and why recycling is important and the benefits and "how tos" of preventing waste, reusing, recycling and composting;*
- Targeting at least one community or media event yearly to promote waste prevention, reuse, recycling and composting. *Not every event needs to promote all of those activities;*
- Using a variety of materials and media formats to disseminate the information in the expanded program in order to reach the maximum number of collection service customers and residential and commercial generators of solid waste. *For example, a web site address or a link to an advertisement on television;*
- DEQ approved Contamination Reduction Education Plan. Please describe plan activities implemented in 2021 in the space below. Did these activities match what you proposed in your approved CREP or where they different. Please describe the differences. **OR**
- Due to program changes, an updated Contamination Reduction Education Plan has been attached for DEQ review and approval.

As a reminder, CREP is required to be implemented in 2021, but it will no longer be required as of January 1, 2022.

d) Multi-Family Dwelling Recycling

Establish and implement a recycling collection program through local ordinance, contract or any other means enforceable by the appropriate city or county for each multi-family dwelling complex having five or more units. The program shall collect at least four principal recyclable materials, and provide educational and promotional information per OAR 340-090-0040(3)(d)(B) directed toward the residents of multi-family dwelling units. In addition, starting in 2017, the local government must do the following in order to qualify for this program element;

- Actively declare through ordinance, resolution, franchise agreement or some administrative procedure – that the local government has chosen this program element; and
- Take steps to insure that both landlords and tenants have been informed that landlords must provide recycling services.

e) Residential Yard Debris Collection and Home Composting

Establish and implement an effective residential yard debris program for the collection and composting of residential yard debris. The program shall include:

- Promotion of home composting; and
- At least monthly on-route collection of yard debris from residences; or

- A system of residential yard debris collection depots, for the production of compost or other marketable products, located such that there is at least one conveniently located depot for every 25,000 population and open to the public at least once a week.

f) Commercial and Institutional Recycling

Establish and implement regular, on-site collection of source separated principal recyclable materials from commercial entities.

- Shall provide to commercial entities that employ 10 or more persons and occupy 1,000 square feet or more in a single location.
- Shall include an education and promotion program.
- Should provide other elements including but not limited to:
 - Provision of waste assessments to businesses;
 - Provision of recycling receptacles to businesses at no or low cost;
 - Waste prevention and recycling recognition programs.

g) Expanded Recycling Drop-Off Depots

Establish depots for recycling collection of all principal recyclable materials listed in the OAR 340-090-0070. This program shall provide at least one (1) recycling depot in addition to the depot(s), if any, required by the General Requirements OAR 340-090-0030(1) and shall result in at least one (1) conveniently located depot for every 25,000 population. The depots shall have regular and convenient hours for residential generators of solid waste and be open on a weekend day. List each expanded recycling depot and indicate the materials collected at that depot in the blue section of the table on page 1 of this form.

h) Collection Rate Established as a Waste Reduction Incentive

Establish collection rates for residential solid waste from single family residences that encourages source reduction of waste, reuse and recycling. Documentation of these rates must be provided to receive credit for this program element. The rates, at a minimum, shall include the following elements:

- At least one rate for a container that is twenty-one (21) gallons or less in size and costs less than larger containers;
- Rates shall be based on the average weight of solid waste disposed per container for various sizes of containers;
- Rates, as calculated on a per pound disposed basis shall not decrease per pound with the increasing size of the container or the number of containers;
- Rates per container service shall be established such that each additional container beyond the first container for each residential unit shall have a fee charged that is at least the same fee and no less than the first container.

i) Commercial and Institutional Composting

Establish and promote an on-going system to collect food waste and other compostables from commercial and institutional entities that generate large amounts of such wastes. Any composting facility to which collected compostable material is taken shall comply with DEQ composting facility rules.

- Before diverting edible foods to be composted, a local government should consider how to encourage making them available to charity for human consumption or to farmers for animal feed.

j) Require Commercial Generators to Source Separate Recyclable Material

Establish a commercial recycling program that requires that commercial generators that generate large amounts of recyclable material to source separate recyclable material. "Large Amount Commercial Generator" means a commercial generator of solid waste that has a service level of four or more cubic yards of solid waste per week at a single site.

- The local government's commercial recycling program must include requirements for LACGs" to:
 - Source-separate recyclable materials for reuse or recycling;
 - Self-haul or arrange for collection service of the source separated recyclable materials;
 - Provide recycling containers for internal areas where recyclable materials may be collected, stored, or both; and

- Correctly label all interior and exterior containers and post signs where recyclable materials may be collected, stored, or both that identify the materials that the LACG must source-separate for reuse or recycling and that provide recycling instructions.
- The local government must establish a method for identification and monitoring of LACGs.
- The local government must notify LACGs when they are out of compliance.

k) Residential Food Waste Collection and Composting

Provide a program for monthly or more frequent on-route collection and composting for food and other compostable waste from residential collection service customers. The program must include education or promotion to reduce contamination of the compost feedstock collected.

- Additional local government education or promotion must be provided to all residential collection service customers, and must include:
 - Types of food waste collected;
 - The schedule for collection;
 - Methods of preparing food waste for collection;
 - Explanations of why separating food waste for recovery is necessary; and
 - Explanations of how to reduce contamination of the food waste recovery stream set out for collection.

L) Recovery Program for Construction and Demolition Debris

- Require that construction and demolition debris must be source separated at the site or sent to a material recovery facility for processing and recovery for generators that:
 - Self-hauls a minimum of six cubic yards of construction and demolition debris at any time; or
 - Arranges for collection service of a minimum of ten cubic yards of construction and demolition debris at any time.
- Implement an education and promotion program for developers, contractors, and residential owners to reduce waste during preconstruction planning phase, and in building construction, renovation, and demolition phases, and to direct waste to reuse and material recovery facilities.

m) Require Large Nonresidential Food Generators to Source Separate

Provide a food waste collection program requiring nonresidential generators that generate large amounts of food waste to source-separate the food waste for recovery. "Large Amount Nonresidential Generator" means a nonresidential generator that disposes of more than fifty tons of food waste annually.

- Require participation in its food waste collection program by all LANGs and require the following:
 - Include, at a minimum, food waste that is not packaged and for which final disposal by the LANG is controlled by the nonresidential generator's employees or agents;
 - Source-separate food waste for donation or food waste collection;
 - Self-haul or arrange for collection service of the food waste;
 - Provide containers for internal areas where food waste may be collected, stored, or both; and
 - Correctly label all interior and exterior containers and post signs and instructions where food waste is collected, stored, or both, that identifies the types of food waste the large amount nonresidential generator must source-separate for donation or food waste collection.
- Establish a method for identification and monitoring of large amount nonresidential generators.
- Notify the large amount nonresidential generator if they are out of compliance.

Programs Outside City Limits but Within the Urban Growth Boundary of the City

x Yes No Are the same collection programs, recycling program elements, and waste prevention and reuse program elements being provided to customers within the urban growth boundary but outside city limits?

If the answer to the above question is "No" please have your County Wasteshed Representative fill out the County General Requirements & Program Element Form to describe the programs that are being implemented outside the city limits but within the urban grown boundary.

SIGNATURE: I hereby certify by my signature below that the information contained in this report is true and correct to the best of my knowledge and belief.

Local Government Official

Wasteshed: _____

Signature: _____

Date: _____

Print Name: _____

Title: _____

BE SMART! DO YOUR PART!

Reduce

The best way to discover where you can reduce waste is to actually sort through your trash!

What does each family member throw away? • What materials take up the most space? • Is anything reusable or repairable?
Can you reduce the amount of disposable products you use?
Can you substitute products and packaging made of reusable, recyclable or nonhazardous materials?

Reuse

Get creative and have fun while you improve the world!

MAKING USE OF YOUR PLASTIC BAGS

Place them in the bottom of plant pots and hanging baskets; they act as great drainage systems!
Use them as bin liners or scrunch them up as an alternative to bubble wrap!
Use them in the garden to hold your grass cuttings and hedge trimmings before transferring to compost bins!

MAKING USE OF YOUR PAPER

After children's art has been displayed for a while it can be used to wrap presents!
Single-sided prints can be used to make your own envelopes (unstick a used envelope for a template)!
Junk mail can be used as scrap paper or bedding for pets! • Pet shops appreciate old newspapers!
Old magazines are appreciated by doctor and dentist offices, motels, and friends!

MAKING USE OF HOUSEHOLD WASTE IN THE GARDEN

Aluminum trays from pies and cakes make ideal drip saucers to put under potted plants!
Lawn clippings can be used to cover weeds and keep them from growing in the garden!
Old newspapers can be used to mulch and weed control the garden!
Wet the newspaper and place thickly on the garden! Cover with bark or stones!

Recycle

Recycling is something everyone can do! Here are some recycling guidelines!

ITEMS ACCEPTED FOR RECYCLING (ITEMS MUST BE FREE OF FOOD AND CONTAMINANTS):

Paper: Cardboard, junk mail, magazines, newspapers! Metals: Tin and aluminum cans only!
Plastics: 1's and 2's only, plastic jugs, plastic bottles!

Compost

Composting is easier than you may think! It happens naturally every day!

WHAT DO YOU NEED TO HOME COMPOST? All you need is yard or food waste (except meat or dairy), and some space. Compost piles don't need to be enclosed, although many people use a bin or enclosure. Compost bins can be purchased or you can easily construct one with common materials such as chicken wire, lumber or used pallets.

GETTING STARTED: A 4x4x4 foot area out of direct sunlight is ideal for your compost pile. Choose an accessible spot on a grass or soil base. Composting can begin any time of year, but many people start in fall when leaves are abundant. Organic materials should be mixed, adding water as needed so that materials feel like a wrung out sponge. The pile should be turned after a few weeks so that the outside layers are exchanged with the center of the pile. Turn piles about once a month except in cold conditions. Water can be added during turning if necessary.



1325 18TH AVENUE SWEET HOME 541-367-2535

PA

ACCEPTED COMMINGLED RECYCLING

Sweet Home
SANITATION
Keeping it green!

1325 18TH AVE • SWEET HOME • 541.367.2535

Paper/Cardboard

- Newspaper including ads and inserts
- Corrugated cardboard boxes
- Direct mail
- Cereal, cracker & shoe boxes (chipboard) office paper, copier and printer paper, file folders, note paper, computer paper, brochures, magazines & catalogs















Metal

- Steel (tin) cans
- Aluminum cans

Plastic Bottles

- Plastic Bottles- #1 PET & #2 HDPE
- Soda bottles, water bottles, milk jugs,
- Orange Juice bottles & jugs, detergent
- Cleaning solution bottles

GUIDE TO PLASTIC RECYCLING CODES

 PETE Polyethylene Terephthalate	 HDPE High-Density Polyethylene	 PVC Polyvinyl Chloride	 LDPE Low-Density Polyethylene	 PP Polypropylene	 PS Polystyrene	 OTHER
Common products include water bottles, soda bottles, and other plastic bottles.	Common products include milk jugs, detergent bottles, and other plastic bottles.	Common products include pipes, window frames, and other plastic products.	Common products include plastic bags, paper cups, and other plastic products.	Common products include yogurt containers, margarine tubs, and other plastic products.	Common products include CD cases, DVD cases, and other plastic products.	Common types of products include polystyrene foam cups, Styrofoam, and other plastic products.
						

DO NOT

RECYCLE

- Plastic Bags & Plastic Film of all kinds
- No #3-#7 Plastic Items
- Trash
- Diapers
- Wire, Rope,
- Christmas Lights
- Wood
- Chain
- Flower pots
- Shredded Paper
- Garden Hoses
- Paper Milk & Paper Juice Cartons
- Medical Waste of any type
- Fabric (Textiles) of any type

Be Smart. Do Your Part.

REDUCE:

The best way to discover where you can reduce waste is to actually sort through your trash.

- What does each family member throw away?
- What materials take up the most space?
- Is anything reusable or repairable?
- Can you reduce the amount of disposable products you use?
- Can you substitute products and packaging made of reusable, recyclable, or nonhazardous materials?



RECYCLE:

These items are currently recyclable in our system.

Items Accepted for Recycling

All items must be free of food and other contaminants. Please rinse properly.

PAPER: Mixed waste paper • Magazines & catalogues • Newspaper • Telephone books • Junk mail • Cardboard • Cereal & other dry food boxes • Paper bags & sacks

METALS: Clean Aluminum cans • Soda cans • Tin cans

PLASTICS: Plastic bottles #1's and #2's



REUSE:

Making use of your mountain of plastic bags:

- Use them as bin liners.
- Place them in the bottom of plant pots and hanging basket they act as great drainage systems.
- Scrunch them up to surround items when you're packaging as an alternative to bubble wrap.
- Use them in the garden to hold your grass cuttings and hedge trimmings before transfer to a compost bin.
- Use them when packing for a holiday to keep dirty/wet clothes and shoes away from dry clothing.

Making use of your mountain of paper:

- After children's drawings and paintings have been displayed for a while they can be used to wrap presents.
- Old calendars, colorful pictures, etc. can be used to make your own envelopes. You can unstick a used envelope and use it as a template for making envelopes.
- Junk mail can be used as scrap paper, or as bedding for pets.
- Pet shops appreciate old newspapers.
- Old magazines are appreciated by:
 - Doctor and Dentist Offices • Motels • Friends

Making use of household waste in the garden:

- Aluminum trays from pies and cakes make ideal 'drip saucers' to put under potted plants.
- Lawn clippings can be used to cover weeds and keep from growing in the garden through winter.
- Broken crockery can be used as drainage at the bottom of potted plants.
- Old newspapers (including those gathered from your friends) can be used to mulch and weed control the garden. Wet newspaper and place thickly on the garden. Cover with bark or stones.
- Plastic milk bottles can be used to hold snail bait and are pet proof.



COMPOST:

What Do You Need to Home Compost?

All you need is enthusiasm, yard or food waste (except meat or dairy products), and some space. Compost piles don't need to be enclosed, although many people use a bin or similar enclosure. Compost bins can be purchased, or you can easily construct one with common materials such as chicken wire, snow fencing, lumber or used pallets. Other tools that come in handy for composting are a garden hose, wheelbarrow and common garden tools.

Getting Started

A 4x4 foot area out of direct sunlight is ideal for your compost pile. Choose an easily accessible spot on a grass or soil base. Composting can begin any time of year, but many people start in the fall when leaves are abundant. Organic materials should be mixed, adding water as needed so that the materials feel like a moist, wrung-out sponge. The compost pile should be turned after a few weeks so that the outside layers are exchanged with the center of the pile. Turn compost piles about once a month, except in cold winter conditions. Water can be added during turning, if necessary.

Sweet Home
SANITATION
keeping it green!

Sweet Home Sanitation
1325 18th Ave, Sweet Home, • 541.367.2535

Known in April Spring Home + Garden - Back full page \$1050 -

run after Christmas
first of the year

TNE

Holiday Recycling \$252

3x7 BLK + White

Reduce, Reuse, Recycle, Compost and Buy Recycled This Holiday Season!

Tips for Holiday Shopping

Bring your own reusable tote bag rather than accepting a separate bag for each purchase.

Earth Friendly Gift Ideas

Give experiences, not stuff. Try gift certificates for massages, movies, dining, classes, concerts, sport events, mass transit, etc.

Reduce, Reuse and Recycle Gift Wrap

Wrap gifts in festive holiday fabric, dishtowels or bandannas, which can simply be washed and reused. Give gifts in baskets, tins or jars.

Reuse Holiday Decorations

Save your holiday decorations, including bows, ribbons and paper, for reuse next year. Donate decorations to local schools, churches, town offices or non-profit organizations.



Recycle Christmas Trees

As part of our yard debris recycling program, please cut tree to fit in yard debris cart. Will be picked up on yard debris week of Jan. 7th no charge (within city limits). Tree must be clean, no flocking, lights or tinsel. You may also schedule a special tree pick up for \$10.00 per tree or drop it off at our transfer station for \$5.00 per tree, Jan. 7th through Jan. 11th

Holiday Composting

Compost your kitchen food scraps from holiday dinners and parties. Remember, in yard waste composting, compost fruit and vegetable wastes, not meat or grease.

Sweet Home
SANITATION
keeping it green!

SWEET HOME SANITATION
1001 Long Street • 367-2535

Accepted Commingled Recycling (Clean)

Paper / Cardboard

- Newspaper including ads and inserts
- Corrugated cardboard boxes
- Direct mail, egg cartons
- Cereal, cracker & shoe boxes (chipboard)
- Office paper- copier and printer paper, file folders, note paper, computer paper, brochures, magazines & catalogs

Metal

- Steel (Tin) cans
- Aluminum cans

Plastic Bottles

- #1 PET & #2 HDPE
- Soda bottles, water bottles, milk jugs,
- Juice bottles & jugs, detergent
- Cleaning solution bottles
(NO CAPS OF ANY KIND)





2021

January

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February

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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

March

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21	22	23	24	25	26	27
28	29	30	31			

April

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18	19	20	21	22	23	24
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May

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June

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July

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25	26	27	28	29	30	31

August

S	M	T	W	T	F	S
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September

S	M	T	W	T	F	S
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19	20	21	22	23	24	25
26	27	28	29	30		

October

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

**YARD DEBRIS
CART**

RECYCLE CART

YARD DEBRIS

Collection in the city limits of Sweet Home, Brownsville and Halsey is the same days as garbage collection during the green shaded weeks.

Yard debris is picked up weekly in May & November

RECYCLING

Collection for all Sweet Home Sanitation Customers is the same day as the garbage collection during the tan shaded weeks.

Please have your recycle cart to the curb by 5:00 a.m. on pick up day.

"Stop at the Top"
fees may apply



City of Sweet Home
 Sweet Home Public Library
 1101 – 13th Avenue
 Sweet Home, OR 97386
 541-367-5007

Sweet Home Public Library

Statistics

January 2022	This month	Last month	YTD	2021
Patron Activity				
OPAC Logins	208	210	208	3081
SIP2 Logins	621	541	621	6775
Main door count	1710	1404	1710	n/a
Circulation and Renewals				
Checkouts	2375	1972	2375	28723
Renewals by Staff	439	623	439	6247
Renewals by OPAC	246	341	246	2878
E-Audio & E-book checkouts	454	427	454	5491
Holds Requested				
Holds by Staff	82	107	82	1683
Holds by OPAC	118	90	118	1495
Item Counts				
	32375	32879	32375	32879
Public Access Computers				
Pages Printed	n/a	1331	n/a	n/a
Resource Sharing Savings				
	2537.85	3560.94	2537.85	n/a
Items borrowed by consortium libraries	172	194	172	n/a
Items borrowed from consortium libraries	208	198	208	n/a

Events

We handed out over 40 Make and Take kits for the Lunar New Year.

We handed out activity packets for Martin Luther King Jr day and for the Lunar New Year.

These continue to be an easy low cost thing to do.

Throughout January we offered free books to every kid that came into the library, for every visit. This was sponsored by the Friends of the Library.

Projects ongoing

We have added 38 Board games and Puzzles in January. Most of these were purchased by the Friends of the Library. Patrons have also started donating games that are in almost new condition. Almost every item has checked out at least once.

We have integrated several small children's book collections into our larger picture book collection. This will make it easier for patrons to find a title. 100 Books to Read and the Ready to Read collections are now part of the picture book collection or the Easy Reader collection, depending on the type of book it was.

The small homeschool collection has been updated and integrated into the nonfiction education/language collection, where parents are more likely to look for the information.

We have completed the weeding of the Adult Fiction and Young Adult collections.

We are starting to plan for the 2022 Summer Reading Program.

We are in the startup phase of creating a robust 1000 Books Before Kindergarten program.

We saw a 20% increase in circulation of items in the library and a 6% increase in the circulation of digital items.

New Library update

No new update or changes for this month.

MEMORANDUM



TO: City Council
Ray Towry, City Manager
Interested Parties

FROM: Blair Larsen, Community and Economic Dev. Director

DATE: February 8, 2022

SUBJECT: Community and Economic Development Department Report for January, 2022

The Community and Economic Development Department (CEDD) consists of the City's Building, Planning, Engineering, Economic Development, Code Enforcement, and Parks and Recreation programs. The following is a summary of activities and notes on current projects from January 1st, to January 31st, 2022.

1. BUILDING

- Summary of Building Program Permits Issued.

Permit Category	January, 2022	December, 2021	2022 YTD	2021 Total	2017-2021 Annual Average
Residential 1 and 2 Family Dwellings	0	0	0	23	28.0
Residential Demolition	0	0	0	9	8.2
Residential Manufactured Dwellings	0	0	0	16	13.8
Residential Mechanical Permits	10	12	10	120	110.2
Residential Plumbing	2	3	2	35	28.8
Residential Site Development	0	0	0	0	1.2
Residential Structural	1	3	1	56	48.8
Commercial Alarm or Suppression Systems	0	0	0	11	3.4
Commercial Demolition	0	0	0	4	3.4
Commercial Mechanical	3	1	3	19	14.6
Commercial Plumbing	1	0	1	9	11.0
Commercial Site Development	0	0	0	3	2.8
Commercial Structural	0	3	0	45	41.4
Total Permits	17	22	17	350	315.6
Value Estimate of All Permits	\$109,366.60	\$81,449.01	\$109,366.60	\$16,811,721.35	\$17,061,471.73
Fees Collected	\$3,143.47	\$3,026.83	\$3,143.47	\$250,671.91	\$233,439.18

2. PLANNING

- Summary of Planning Division Applications Approved:

Application Type	January, 2022	December, 2021	2022 YTD	2021 Total	2017-2021 Annual Average
Annexations	0	0	0	0	0.4
Code Amendments	0	0	0	1	0.8
Conditional Use	0	0	0	11	8.0
Partition	2	0	2	20	9.0
Planned Development/ Subdivision	0	0	0	4	1.2
Property Line Adjustments	3	0	3	21	12.0
Vacation	0	0	0	0	0
Variance	0	0	0	1	4.4
Zoning Map Amendment	0	0	0	4	2.2

- 7 Land Use Applications were submitted in January.
- 4 Land Use Applications are pending final approval.
- 2 Fence Permits were issued in January.
- The overhaul of development code portions of the Sweet Home Municipal Code (SHMC) is progressing as planned. The Planning Commission is now meeting twice every month until they have completed their review of the new draft. Once the Planning Commission has completed their review, they will make a recommendation to the City Council, after which the Council will have an opportunity to review the document and consider changes.
- The City has received a grant from the State to update our Transportation System Plan and create an Area Plan for the undeveloped land on the north side of the City. A consultant for the work is now on board, and the City has met with them to kick off the project.
- The City has also received a State grant for a Housing Needs Analysis (HNA). The consultant has been selected and will begin work soon. The purpose is to ensure that the City has both sufficient residential lands, and the proper mix of types and densities. Staff recently met with the selected consultants to kick off the project.
- The next Planning Commission meetings are scheduled for February 17th, 2022.

3. ECONOMIC DEVELOPMENT

- Dougherty Landscape Architects (DLA) continue to work on the Downtown Streetscape and Parking Plan. We applied for and received a CARES Act (COVID response) grant from Linn County for this project in the amount of \$10,000. DLA has submitted additional drafts, which staff are now reviewing. The final meeting for the project took place on December 14th, and we expect to receive the final reports from DLA soon.
- Now that the land swap agreement for 24th Ave has been approved, Staff is working on the land use applications and surveys. The Planning Commission has approved the partition. After the survey has been completed, it will be recorded with Linn County.
- After the Council-County Commission joint work session, the County decided to put the Weyerhaeuser mill site up for auction again. The auction process started without notice to

the City, and staff were unable to get information detailing the City's vision for infrastructure and zoning of the property included with the auction documents. The sealed bids were opened this week, and Josh Victor was the high bid. The County Commissioners will vote on accepting a bid at their next meeting, Tuesday morning.

4. CODE ENFORCEMENT

- Summary of Actions.

Case Status	January, 2022	December, 2021	2022 YTD	2021 Total	2018-2021 Annual Average
New Complaints	11	8	11	92	84.00
New Officer-Detected Violations	6	8	6	74	74.00
Violations Resolved	9	17	9	166	286.25
Complaints Noted with No Violation Found	0	3	0	16	22.75
Open Cases at End of Period	12	12	12	12	20
Citations	0	0	0	7	4.00
Abatements	0	0	0	1	0.33
Enforcement Type	January, 2022	December, 2021	2022 YTD	2021 Total	2018-2021 Annual Average
Animal	2	1	2	35	46.50
Blight	0	0	0	2	1.25
Illegal Burn	0	0	0	1	1.75
Illegal Dumping	0	0	0	0	0.50
Illegal Parking	1	1	1	11	9.75
Illegal Sign	0	0	0	1	2.75
Junk/Abandoned Vehicle	2	1	2	4	9.00
Minimum Housing	0	0	0	0	3.25
Occupying an RV	3	5	3	26	42.00
Open Storage	7	5	7	31	67.25
Other	1	0	1	11	20.75
Public Nuisance	1	3	1	17	48.5
Public Right-of-way	0	0	0	2	12.75
Tall Grass & Weeds	0	0	0	65	122.75
Vacant Lot	0	0	0	0	0.25

The City's Code Enforcement Officer responds to complaints submitted through the City's website, and actively patrols the City and works to resolve identified code violations.

5. PARKS

- The Park and Tree Committee will meet next on February 16, 2022.

- Construction of Sankey Park Improvements is continuing. Construction on the play structures and concrete has been completed, as well as much of the lighting installation. Some electrical, irrigation, and concrete work remains.
- Design work is underway for a new park adjacent to City Hall. The Park will include a donated playground structure and dog park.

6. OTHER PROJECTS

- The Council has authorized ownership of the sculpture in the ODOT right-of-way near the East Linn Museum, and we have received a proposed Intergovernmental Agreement from ODOT. However, Citizens have come forward seeking to add a roofed structure over the artwork to protect it from the weather. Staff is working with ODOT to modify the IGA in order to allow the construction of a roofed structure. Staff inquired to learn if City acquisition of the property was a possibility. Initially, ODOT informed us that such action was not a possibility. However, after additional follow-up, ODOT is indicating that a right-of-way vacation is possible, which would add some of the property to the East Linn Museum property. ODOT has begun work on this transfer of property, and Staff is coordinating with them and the East Linn Museum to complete the transaction. In the interim, City Staff have applied a clear “log oil” treatment to preserve the surface of the logger statue.
- Willow Street Neighborhood LID: Staff recently met with representatives of several state agencies at a “one stop” meeting and have a tentative plan for financing that will include a package of both forgivable loans and other loans with very attractive interest rates.
- The ODOT Foster Lake Sidewalk Project: Budgetary constraints have required that the project be limited to one side (the north) of US 20. The new scope also removes the section underneath the railroad bridge and calls for a soft-surface path in that location to be constructed by the City. Construction has been delayed until 2022, but engineering work is continuing throughout 2021. The Council recently approved an updated IGA with ODOT for this project. After receiving the consensus of the Council at the last meeting, Staff is working out the details of the necessary waterline relocation work.
- The CEDD systems analysis is ongoing. This project will “map” out all department processes so that efficiencies can be identified, delays can be removed, and operations can be made easier for both customers and staff. These process maps will be documented for staff continuity and to share with other departments. Staff turnover has caused some delays but will provide new opportunities for improvement in this project.
- Staff is working with ODOT on a pedestrian crossing at 22nd Avenue and Main Street. State Funding has been identified, and we have an agreement with ODOT on what improvements will be constructed and where. This will come at little to no cost to the City. This improvement will be combined with an existing ODOT project to replace ADA ramps at intersections on Main Street. The Council recently approved an IGA with ODOT for this project.
- CEDD Staff have been developing designs for the budgeted City Hall renovation and emergency generator installation.
- CEDD Staff continue to provide key support for the efforts to create a managed homeless facility.

MEMORANDUM



TO: Ray Towry, City Manager
 FROM: Greg Springman, Public Works Director
 DATE: February 8, 2022
 SUBJECT: Public Works Activities Report – January 2022

This memorandum provides a brief periodic update of specific projects, WTP/WWTP O&M and Compliance status, and activities performed by the Public Works Department.

This table section summarizes work done on key maintenance activities.

Work Type	January, 2022	December, 2021	2022 YTD	2021	3 Yr Avg
Bathrooms/Garbage	19	11	19	169	503
Catch Basin Inspection/cleaning	1	2	1	6	28
Leaf Collection	0	182	0	1637	666
Hydrant Flushing	0	35	0	324	302
Locates	45	28	45	491	486
Meter Re-Read	74	76	74	1060	777
Mowing	0	0	0	40	84
Playground EQ Inspection	5	2	5	49	56
Pothole Repair	86	47	86	514	597
Sewer CCTV Miles	0.00	0.02	0	0.16	2
Street Sweeping Miles	130	115	130	893	2374
Water Main Repair	1	1	1	9	10
Water Service Repair	7	0	7	20	41
Water Turn Ons/Offs	43	62	43	677	877
Total Completed Work Orders	411	477	411	6050	6973

WWTP and WTP Key Performance Indicators (KPIs)

	December, 2021	November, 2021	2021 YTD	2020	2019	5 Yr Avg
Potable						
MG Treated	28.56	26.12	363.99	345.13	444.48	414.47
Backwash Water in MG	2.86	2.71	30.07	18.42	22.90	17.91
Ave daily demand in MG	0.92	0.87	1.00	0.95	1.21	1.12
Sanitary						
MG Treated	117.38	77.19	641.31	596.71	547.14	593.79
Max Daily Flow in MG	5.89	5.12	5.89	6.66	7.30	5.81
Average Flow in MG	3.79	2.57	1.76	1.63	1.50	1.63

* MG is Million Gallons

Note: Sweet Home Wastewater treatment plant experienced 6 exceedances and a SSO event for the month of December 2021.

- On 12/19/2021 at 12:15pm heavy rains, I&I greatly increased the incoming flow to the treatment plant. Approximately 2.657 million gallons of rain-diluted wastewater flowed to the designed Ames Creek bypass structure. Our treatment facility was running at or above the continuous design capacity of 6.0MGD during the event, which ended on 12/19/2021 at 5:00 AM.
- On 12/12/2021 we experienced a pH violation 6.2 on a permit minimum of 6.3, training on our limits followed the following week, along with clear signage.
- On 12/29/2021 Max daily TSS pounds was 2247.7 on a permit limit of 690 pounds
- On 12/29/2021 Weekly Avg TTS pounds was 1381.2 on a permit limit of 520 pounds
- On 12/29/2021 Weekly Avg TTS mg/L was 40 on a permit limit of 30.0
- Monthly Average TSS pounds was 803.7 on a permit limit of 350 pounds
- Monthly Average TSS mg/L was 24.2 on a permit limit of 20.0

Additionally, on 12/15/2021 we had an E-coli MPN of 665.3, on the 5 subsequent resamples we had a geomean of 99.4 which allowed us to not count the 665.3 as a violation on the max limit of 406.

Current & Upcoming Projects

Wastewater Treatment Plant Improvement Project

Scope: Upgrades to equipment & processes for DEQ Compliance

Status: Engineer of Record (West Yost) is conducting a 30-day review of the WWTP Improvement Project. West Yost will assume the WWTP Final Design and Construction Services. WWTP Improvement Project update will be present to Council in March 2022.

Small Diameter Water Main Replacement

Scope: Engineer of Record and Staff will identify aged water mains throughout the 54 miles of water distribution system. Staff has identified 5 miles of small diameter water mains requiring replacement.

Status: Phase I & Phase II project documents will be presented to Council in February 2022. Engineer of Record and Staff will continue to provide updates as available.

Sankey Park Improvements

Scope: Install new paths, lighting, and playground equipment.

Status: Project was completed by January 2022. Minor punch list of items remaining to be finished PW Staff.

2021 Overlay Project

Scope: Overlay multiple streets through the community.

Status: Phase I and Phase II construction has been completed.

Water & Stormwater Master Plans – West Yost

Scope: Develop Water & Stormwater Master Plans to support development

Status: Kick off meetings for both projects commence October 2021. Staff will provide periodic updates. Projects scheduled for completion in July 2022.

Backwash Pump Evaluation – West Yost

Scope: Evaluate feasibility of adding a backwash pump and using clearwell for filter backwashes and the corresponding effects on the distribution system and treatment.

Status: Design completed by West Yost, materials starting to be ordered for 1st stage of project. Contract approved by council to Pacific Excavation, pre-construction meeting occurred in January 2022.

Finished Water Pump Evaluation – West Yost

Scope: Evaluate feasibility to add a Variable Frequency Drive (VFD) to the current finish water pumps to maintain a constant level in clearwell to help facilitate Backwash Pump.

Status: Design completed by West Yost, materials starting to be ordered for 1st stage of project. Contract approved by council to Pacific Excavation, pre-construction meeting occurred in January 2022.

Fluoride at WTP

Scope: Fluoride system at WTP has failed/End of life budgeted for replacement FY21/22.

Status: PW Staff obtaining quotes for replacement. Staff will present topic to Council in February 2022 for discussion.

Streaming Current Monitors Replacement

Scope: The Streaming Current Monitors (SCMs) have failed at the WTP and are at end of life.

Status: PW staff have obtained a quote from our Integrator of Record and are proceeding on this project utilizing that contract. Work underway with substantial completion scheduled for February 2022.

Wastewater Filter Belt Press

Scope: Filter Belt Press was installed in approx. 1974 and is an operational and financial challenge to keep operating, looking to prepurchase new dewatering equipment for the wastewater treatment plant as part of the upgrade project.

Status: PW staff currently working with Engineer of Record to confirm sizing of dewatering equipment.