CITY OF KEIZER MISSION STATEMENT

KEEP CITY GOVERNMENT COSTS AND SERVICES TO A MINIMUM BY PROVIDING CITY SERVICES TO THE COMMUNITY IN A COORDINATED, EFFICIENT, AND LEAST COST FASHION

AGENDA

KEIZER CITY COUNCIL
REGULAR SESSION
Monday, October 17, 2005
7:00 p.m.
Robert L. Simon Council Chambers
Keizer, Oregon 97303

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **FLAG SALUTE**

4. **PUBLIC TESTIMONY**

   This time is provided for citizens to address the Council on any matters other than those on the agenda scheduled for public hearing

5. **COMMITTEE REPORTS**

6. **PUBLIC HEARINGS**

7. **OTHER BUSINESS**

   This time is provided to allow the Mayor, City Council members, or staff an opportunity to bring new or old matters before the Council that are not on tonight's agenda.

   a. New Business

   b. Old Business

8. **ADMINISTRATIVE ACTION**

   a. **RESOLUTION – Authorizing Loan Payable from Gas Tax Revenues and a Master Gas Tax Revenue Financing Declaration That Establishes the Terms for Future Gas Tax Revenue Financings**

9. **CONSENT CALENDAR**

   a. **RESOLUTION – Authorization for Acceptance of Grant Funds (Seat Belt Traffic Safety Grant)**

   b. **RESOLUTION – Authorization for Expenditure of Specific Purpose Funds (Criminal Forfeiture)**

   c. **Approval of September 6, 2005 Regular Session Minutes**

   d. **Approval of September 19, 2005 Regular Session Minutes**

   e. **Approval of October 3, 2005 Regular Session Minutes**

10. **WRITTEN COMMUNICATIONS**

    To inform the Council of significant written communications.

11. **AGENDA INPUT**

    November 7, 2005

    7:00 p.m. City Council Regular Session
    - **Revisions to City of Keizer Parking Ordinance**
    - **Zone Change/Subdivision Amendment Case No. 2005-14 – Public Hearing**
    - **Sign Code Amendments Public Hearing**

    November 14, 2005

    5:30 p.m. City Council Work Session

    November 21, 2005

    6:00 p.m. Urban Renewal Agency
    - **Major Plan Amendment Public Hearing**

    7:00 p.m. City Council Regular Session

12. **ADJOURN**

[redacted]

COUNCIL MEETING: **October 17, 2005**

AGENDA ITEM NUMBER: ______________

TO: MAYOR CHRISTOPHER AND CITY COUNCIL

THROUGH: CHRIS EPPLEY
CITY MANAGER

FROM: SUSAN GAHLSDORF, CPA
FINANCE DIRECTOR

SUBJECT: A RESOLUTION AUTHORIZING LOAN PAYABLE FROM GAS TAX REVENUES AND A MASTER GAS TAX REVENUE FINANCING DECLARATION THAT ESTABLISHES THE TERMS FOR FUTURE GAS TAX REVENUE FINANCINGS.

BACKGROUND:

The Keizer Station funding plan provides for a $1,564,000 contribution from the Street fund for right of way acquisition. It is necessary for the City to issue debt, pledging future gas tax revenues, to acquire the funds necessary to pay for property acquisitions scheduled for closing on November 1, 2005.

ISSUES:

Oregon Revised Statutes Section 271.390 gives municipalities the authority to enter into financing agreements to fund the cost of land purchases, improvements, structures, fixtures, and personal property such as furnishings and equipment.

FISCAL IMPACT:

Staff estimates that $1,738,000 needs to be borrowed to provide for an adequate debt reserve fund as required in the financing arrangement with Bank of America. The $174,000 reserve shall be held in investments until the bonds mature in October 2015, at which time the reserve funds shall revert back to the Street Fund for general Street Fund use.

RECOMMENDATION:

Staff recommends the Council adopt the attached resolution authorizing the issuance of up to $1.738 million in loans payable for Keizer Station right-of-way acquisition.

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

RESOLUTION __________

A RESOLUTION AUTHORIZING A $1.738 MILLION LOAN PAYABLE SOLELY FROM GAS TAX REVENUES AND A MASTER GAS TAX FINANCING DECLARATION THAT ESTABLISHES THE TERMS FOR FUTURE GAS TAX FINANCINGS.

WHEREAS, the City of Keizer, Oregon (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into lines of credit and other agreements to finance real or personal property that the City Council determines is needed; and,

WHEREAS, the City Council hereby determines that the City needs to acquire land for the Keizer Station for right-of-way (the "2005 Project"); and,

WHEREAS, the City Council hereby determines that it is desirable to obtain financing for the 2005 Project in the aggregate principal amount of not more than $1,738,000 pursuant to ORS 271.390; and,

WHEREAS, the City has received proposals to provide this financing and Bank of America, N. A. has offered the most favorable terms to the City;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer, Oregon, as follows:

Section 1. Borrowing Authorized.

The City hereby authorizes a borrowing to finance the 2005 Project under ORS 271.390 and this resolution in a maximum principal amount of $1,738,000. The proceeds of this borrowing may be used only to finance the 2005 Project and to pay costs related to the borrowing.

Section 2. Delegation.

The City Manager or the Finance Director or the person designated by the City Manager or Finance Director to act on behalf of the City under this Resolution (any of whom is referred to in this resolution as a "City Official") may, on behalf of the City and without further action by the City Council:

(A) Establish the final principal amounts, maturity schedules, interest rates, redemption terms, payment terms and dates and other terms for the borrowing authorized by this resolution, and enter into loan agreement, credit facility or other financing agreement with Bank of America, N.A. to finance the 2005 Project in accordance with this resolution and ORS 271.390.

(B) Finalize the terms of, execute and deliver a Master Gas Tax Financing Declaration, which shall be in substantially the form attached to this resolution as Exhibit A, but with any changes which the City Official may approve. The Master Gas Tax Financing Declaration will pledge the City's Gas Tax Revenues, limit future gas tax financings and generally provide covenants of the City that are intended reduce the city's borrowing costs by enhancing the security for borrowings secured by the City's Gas Tax Revenues, including the borrowing authorized by this resolution.

(C) Enter into covenants to maintain the "tax-exemption" (excludability of interest from gross income under the Internal Revenue Code of 1986, as amended) on the borrowing authorized by this resolution.

(D) Designate the borrowing authorized by this resolution as a qualified tax-exempt obligation pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

(E) Execute any documents and take any other action which the City Official finds is desirable to carry out this resolution.

Section 3. Effective Date.

This resolution shall take effect on the date of its adoption.

PASSED ____ day of _____________, 2005.

SIGNED this ____ day of _____________, 2005.

____
Mayor

____
City Recorder

Exhibit A to Resolution

MASTER GAS TAX FINANCING DECLARATION

City of Keizer
Marion County, Oregon

Executed as of October 28, 2005
in connection with the City's
2005 Gas Tax Loan

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MASTER GAS TAX FINANCING DECLARATION

THIS MASTER GAS TAX FINANCING DECLARATION is executed as of October 28, 2005, by the City Official of the City of Keizer, Marion County, Oregon pursuant to the authority granted to the City Official by City Resolution No. ___ to establish the terms that govern the City's 2005 Gas Tax Loan and future Parity Obligations.

Section 4. Findings.

The City finds:
1. The City is authorized by ORS 271.390 to borrow money by entering into financing agreements for property the City determines is needed, and to pledge City revenues to secure those borrowings.
2. The City executes this Master Gas Tax Financing Declaration to specify the terms under which the City's 2005 Gas Tax Loan is issued, and to describe the terms that govern future obligations that are secured by the City's Gas Tax Revenues.

Section 5. Definitions

Unless the context clearly requires otherwise, capitalized terms that are used in this Master Declaration and are defined in this Section 5 shall have the meanings defined for those terms in this Section 5.

"2005 Gas Tax Loan" means the City's 2005 Gas Tax Loan issued pursuant to Section 14 of this Master Declaration.

"Annual Debt Service" in any Fiscal Year means the amount of principal and interest required to be paid in that Fiscal Year on all Outstanding Senior Lien Obligations, calculated as follows:

(a) Interest which is to be paid from Senior Lien Obligation proceeds shall be subtracted;

(b) Senior Lien Obligations which are subject to scheduled, noncontingent redemption or tender shall be deemed to mature on the dates and in the amounts which are subject to mandatory redemption or tender, and only the amount scheduled to be outstanding on the final maturity date shall be treated as maturing on that date; and,

(c) Senior Lien Obligations which are subject to contingent redemption or tender shall be treated as maturing on their stated maturity dates.

"Auditor" means a person authorized by the State Board of Accountancy to conduct municipal audits pursuant to ORS 297.670.

"Base Period" means any twelve consecutive months selected by the City or Qualified Consultant out of the most recent twenty-four months preceding the delivery of a Series of Parity Obligations.

"Bond Counsel" means Preston Gates & Ellis LLP, or another law firm having knowledge and expertise in the field of municipal law and whose opinions are generally accepted by purchasers of municipal bonds.

“Business Day” means any day except a Saturday, a Sunday, a legal holiday, a day on which the offices of banks in Oregon or New York are authorized or required by law or executive order to remain closed, or a day on which the New York Stock Exchange is closed.

“City Official” means the City Manager, the City Finance Director, or any person designated by the City Manager, the City Finance Director or the City Council to act as on behalf of the City under this Declaration.

“City” means the City of Keizer, Marion County, Oregon.

“Code” means the Internal Revenue Code of 1986, as amended, and its applicable rules and regulations.

“Construction Fund” means the collection of funds and accounts that the City uses to hold proceeds of Senior Lien Obligations.

“Credit Facility” means a letter of credit, a municipal bond insurance policy, a surety bond, standby bond purchase agreement or other credit enhancement device which is obtained by the City to secure Senior Lien Obligations, and which is issued or provided by a Credit Provider whose long-term debt obligations or claims-paying ability (as appropriate) are rated one of the two highest rating categories by a Rating Agency which rated the Senior Lien Obligations secured by the Credit Facility.

“Credit Provider” means a person or entity providing a Credit Facility.

“Defeasance Obligations” means direct obligations of the United States, any obligations the payment of which is fully and unconditionally guaranteed by the United States, and any other obligations that Oregon law permits to be used in advance refunding bond escrows.

“Event of Default” means any event specified in Section 11(A) of this Master Declaration.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by State Law.

“Fund” means a fund, an account, or an accounting entry that is used to account for revenues under this Master Declaration.

“Gas Tax Revenues” means:

(i) All amounts the City receives from taxes imposed by the State of Oregon on the sale of fuel for motor vehicles, weight-mile taxes and vehicle registration fees, including taxes; and

(ii) any taxes which the State may enact to replace the existing taxes on the sale of motor vehicle fuel, weight-mile taxes or vehicle registration fees, to the extent those taxes are allocated to the City and are available to be used to pay the Senior Lien Obligations; and,

(iv) any taxes on the sale of fuel for motor vehicles, weight-mile taxes and vehicle registration fees which the City may impose in the future.

However, Gas Tax Revenues does not include any amounts which are retained by the State of Oregon for expenditure on projects that benefit the City.

“Insurance Policy” means a municipal bond insurance policy issued by an Credit Provider at the request of the City guaranteeing the scheduled payment of principal of and interest on Senior Lien Obligations when due.

“Interest Payment Date” means any date on which Senior Lien Obligation interest is scheduled to be paid, and any date on which Senior Lien Obligations are called for redemption.

“Master Declaration” means this Master Gas Tax Financing Declaration, including any amendments made pursuant to Section 12.

“Maximum Annual Debt Service” means the greatest amount of Annual Debt Service that is due in any Fiscal Year, beginning with the Fiscal Year for which the calculation is made, and ending with the last Fiscal Year in which Outstanding Senior Lien Obligations are scheduled to be paid.

“ORS” means the Oregon Revised Statutes.

“Outstanding” refers to all Senior Lien Obligations except Senior Lien Obligations that have been defeased pursuant to Section 13 of this Master Declaration, and Senior Lien Obligations which have matured and not been presented for payment (provided sufficient funds to pay those Senior Lien Obligations have been transferred to the Registrar).

“Owner” means the Bank as owner of the 2005 Gas Tax Loan, and the owner of any Parity Obligations.

“Parity Obligation” means any obligation payable from the Gas Tax Revenues on a parity with other Senior Lien Obligations and which is issued in accordance with Section 8.

“Payment Date” means a Principal Payment Date or an Interest Payment Date.

“Permitted Investments” means any investments which the City is permitted to make under the laws of the State.

“Principal Payment Date” means any date on which any Senior Lien Obligations are scheduled to be retired, whether by virtue of their maturity or by mandatory sinking fund redemption prior to maturity, and the redemption date of any Senior Lien Obligations which have been called for redemption.

“Project” means any purpose for which Gas Tax Revenues may lawfully be spent.

“Rating Agency” means Fitch Investors Service, Moody's Investors Service, Standard & Poor’s Rating Service, or any other nationally recognized financial rating service that has rated Outstanding Senior Lien Obligations or a Credit Facility at the request of the City.

“Senior Lien Obligations Account” means the Senior Lien Obligations Account described in Section Section 7(B) of this Master Declaration.

“Senior Lien Obligations” means the 2005 Gas Tax Loan and any Parity Obligations.

"Series," refers to all Senior Lien Obligations authorized by a single ordinance or declaration and delivered in exchange for payment on the same date, regardless of variations in maturity, interest rate or other provisions, unless the closing documents for the Series provide otherwise.

"State" means the State of Oregon.

"Street Fund" means the collection of funds and accounts that the City uses to hold the Gas Tax Revenues prior to their expenditure.

"Subordinate Obligations Account" means the Subordinate Obligations Account of the Street Fund which is described in Section Section 7(C).

"Subordinate Obligations" means obligations that are secured by a subordinate lien on the Gas Tax Revenues and that comply with the requirements of Section 9.

"Supplemental Declaration" means any declaration, resolution or other document which supplements or amends this Master Declaration, and is entered into by the City in compliance with Section 12.

Section 6. Management, Deposit, Pledge and Use of Gas Tax Revenues

(A) The City shall deposit and maintain all Gas Tax Revenues in the Street Fund, and shall use those Gas Tax Revenues only as described in this Section as long as any Senior Lien Obligations remain Outstanding. The City shall apply Gas Tax Revenues in the Street Fund on or before the following dates for the following purposes in the following order of priority:

(i) One Business Day prior to each Payment Date, to transfer Gas Tax Revenues to the Senior Lien Obligations Account from any and all accounts in the Street Fund in an amount sufficient (with amounts then available in the Senior Lien Obligations Account) to pay in full all Senior Lien Obligation principal, interest and premium, if any, which is due to be paid on that Payment Date;

(ii) On any date specified in a Supplemental Resolution, an amount sufficient to replenish any reserve account established for Parity Obligations.

(iii) On the day on which any rebates or penalties for Senior Lien Obligations are due to be paid to the United States pursuant to Section 148 of the Code, to pay the amounts due to the United States;

(iv) On the dates specified in any proceedings authorizing Subordinate Obligations, to the Subordinate Obligations Account the Gas Tax Revenues required by those proceedings;

(B) The City hereby pledges the Gas Tax Revenues to the payment of principal of, premium (if any) and interest on all Senior Lien Obligations. The Gas Tax Revenues so pledged and hereafter received by the City shall immediately be subject to the lien of such pledge without any physical delivery or further act. The lien of these pledges shall be superior to all other claims and liens. The City covenants and agrees to take such action as is necessary from time to time to perfect or otherwise preserve the priority of the pledge.

Section 7. Senior Lien Obligation Funds and Accounts

(A) So long as Senior Lien Obligations are Outstanding, the City shall maintain the Senior Lien Obligations Account as a discrete account in the Street Fund. If the City creates the Subordinate Obligations Account, that account shall be maintained as a discrete account in the Street Fund.

(B) **Senior Lien Obligations Account.** The Senior Lien Obligations Account shall be held by the City. Until all Senior Lien Obligations are paid or defeased, amounts in the Senior Lien Obligations Account shall be used only to pay Senior Lien Obligations. The City shall transfer sufficient amounts from the Senior Lien Obligations Account to pay all Senior Lien Obligation principal, interest and premium (if any) when due in accordance with the Senior Lien Obligations. Amounts in the Senior Lien Obligations Account shall be invested only in Permitted Investments. Earnings on the Senior Lien Obligations Account shall be credited to the Senior Lien Obligations Account.

(C) **Subordinate Obligations Account.** If the City issues Subordinate Obligations, the City shall create and maintain the Subordinate Obligations Account as long as the Subordinate Obligations are outstanding. The Subordinate Obligations Account may be divided into subaccounts, and the City may establish priorities for funding the subaccounts in the Subordinate Obligations Subaccount. Gas Tax Revenues shall be deposited into the Subordinate Obligations Account only as permitted by Section Section 6(A)(iv). Earnings on the Subordinate Obligations Account shall be credited as provided in the proceedings authorizing the Subordinate Obligations.

Section 8. Parity Obligations

(A) The City may issue Parity Obligations to provide funds for any Project, but only if:

(i) No Event of Default under this Master Declaration or any Supplemental Declaration has occurred and is continuing;

(ii) At the time of the issuance of the Parity Obligations there is no deficiency in the Senior Lien Obligations Account; and,

(iii) There shall have been filed with the City a certificate of the City Official stating that the Gas Tax Revenues for the Base Period were not less than one hundred twenty-five percent (125.00%) of average Annual Debt Service on all then Outstanding Senior Lien Obligations, calculated as of the date the Parity Obligations are issued and with the proposed Parity Obligations treated as Outstanding.

(B) The City may issue Parity Obligations to refund Outstanding Senior Lien Obligations without complying with Section Section 8(A) if the refunded Senior Lien Obligations are defeased on the date of delivery of the refunding Parity Obligations and if the Annual

Debt Service on the refunding Parity Obligations does not exceed the Annual Debt Service on the refunded Senior Lien Obligations in any Fiscal Year by more than $5,000.

(C) All Parity Obligations issued in accordance with this Section shall have a lien on the Gas Tax Revenues which is equal to the lien of all other Outstanding Senior Lien Obligations.

Section 9. Subordinate Obligations

The City may issue Subordinate Obligations only if:

(A) The Subordinate Obligations have no claim on the amounts credited to the Senior Lien Obligations Account, and have no claim on Gas Tax Revenues except Gas Tax Revenues that are available to be credited to the Subordinate Obligations Account pursuant to Section Section 6(A)(iv);

(B) The Subordinate Obligations state clearly that they no claim on Gas Tax Revenues except Gas Tax Revenues that are available to be credited to the Subordinate Obligations Account pursuant to Section Section 6(A)(iv).

Section 10.General Covenants

The City hereby covenants and agrees with the Owners of all Outstanding Senior Lien Obligations as follows:

(A) The City shall promptly cause the principal, premium, if any, and interest on the Senior Lien Obligations to be paid as they become due in accordance with the provisions of this Master Declaration and any Supplemental Declaration.

(B) The City shall maintain complete books and records relating to the Gas Tax Revenues in accordance with generally accepted accounting principles in the United States of America, shall cause such books and records to be audited annually at the end of each Fiscal Year, and shall have an audit report prepared by the Auditor and made available for the inspection of Senior Lien Obligation Owners.

(C) The City shall not issue obligations which have a lien on the Gas Tax Revenues that is superior to the lien of the Senior Lien Obligations.

(D) The City shall promptly deposit the Gas Tax Revenues in the Street Fund and apply the Gas Tax Revenues as provided in this Master Declaration.

Section 11.Events of Default and Remedies.

(A) Events of Default. The following shall constitute "Events of Default:"

(i) Failure of the City to pay any Senior Lien Obligation principal or interest when due, either at maturity, upon exercise of a right of tender, by proceedings for redemption or otherwise;

(ii) Failure of the City to perform any of its obligations under this Master Declaration, but only if:

(A) the failure continues for thirty (30) days after the City receives a written notice, specifying the Event of Default and demanding the cure of such default, from a Credit Provider or from the Owners of not less than 20% in aggregate principal amount of the Senior Lien Obligations Outstanding, and,

(B) The failure is not excused by Section Section 11(A)(v);

(iii) Entry of an order, judgment or decree by any court of competent jurisdiction:

(A) Appointing a receiver, trustee or liquidator for the City or the whole or any part of the Gas Tax Revenues;

(B) Approving a petition filed against the City seeking the bankruptcy, arrangement or reorganization under any applicable law of the United States or the State of Oregon; or

(C) Assuming custody or control of the City or of the whole or any part of the Gas Tax under the provisions of any other law for the relief or aid of debtors and such order, judgment or decree shall not be vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control shall not be otherwise terminated) within sixty (60) days from the date of the entry of such order, judgment or decree; or

(iv) If the City shall:

(A) Admit in writing its inability to pay its debts generally as they become due;

(B) File a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law;

(C) Consent to the appointment of a receiver of the whole or any part of the Gas Tax; or

(D) Consent to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the City or of the whole or any part of the Gas Tax.

(v) Exception. It shall not constitute an Event of Default under Section 11(A)(ii) if the default cannot practicably be remedied within thirty (30) days after the City receives notice of the default, so long as the City promptly commences reasonable action to remedy the default after the notice is received, and continues reasonable action to remedy the default until the default is remedied.

(vi) Remedies. If an Event of Default occurs, any Senior Lien Obligation Owner may exercise any remedy available at law or in equity. However, the Senior Lien Obligations shall not be subject to acceleration.

(vii) Books of Gas Tax Open to Inspection.

(A) The City covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Gas Tax Revenues shall at all reasonable times be subject to the inspection and use of any persons holding at least twenty percent (20%) of the principal amount of Outstanding Senior Lien Obligations and their respective agents and attorneys.

(B) The City covenants that if the Event of Default shall happen and shall not have been remedied, the City will account as the trustee of an express trust, for all Gas Tax Revenues and other moneys, securities and funds pledged under this Master Declaration.

(viii) Waivers of Event of Default.

(A) No delay or omission of any Senior Lien Obligation Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or to be an acquiescence therein; and every power and remedy given by this Section 11 to the Senior Lien Obligation Owners may be exercised from time to time and as often as may be deemed expedient by the Senior Lien Obligation Owners.

(B) Except as provided in Section Section 12(D), the owners of not less than twenty-five percent (25%) in principal amount of the affected Senior Lien Obligations that are at the time Outstanding, or their attorneys-in-fact duly authorized, may, on behalf of the owners of all of affected Senior Lien Obligations, waive any past default under this Master Declaration with respect to such Senior Lien Obligations and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any of the Senior Lien Obligations. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

(ix) Remedies Granted in Master Declaration Not Exclusive.

No remedy by the terms of this Master Declaration conferred upon or reserved to the Senior Lien Obligation Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Master Declaration or existing at law or in equity or by statute on or after the date of adoption of this Master Declaration.

Section 12.Amendment of Master Declaration

(A) This Master Declaration may be amended by Supplemental Declaration without the consent of any Senior Lien Obligation Owners for any one or more of the following purposes:

(i) To cure any ambiguity or formal defect or omission in this Master Declaration;

(ii) To add to the covenants and agreements of the City or the City in this Master Declaration, other covenants and agreements to be observed by the City or the City which are not contrary to or inconsistent with this Master Declaration as theretofore in effect;

(iii) To authorize the issuance of Parity Obligations and Subordinate Obligations.

(iv) To modify, amend or supplement this Master Declaration and any Supplemental Declaration to qualify those declarations under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of any Senior Lien Obligations for sale under the securities laws of any of the states of the United States of America;

(v) To confirm, as further assurance, any security interest or pledge created under this Master Declaration or any Supplemental Declaration;

(vi) To make any change which, in the reasonable judgment of the City, does not materially and adversely affect the rights of the owners of any Outstanding Senior Lien Obligations;

(vii) So long as a Credit Facility is in full force and effect with respect to the Senior Lien Obligations affected by such Supplemental Declaration, to make any other change which is consented to in writing by the issuer of such Credit Facility other than any change which:

(A) Would result in a downgrading or withdrawal of the rating then assigned to the affected Senior Lien Obligations by the Rating Agencies; or,

(B) Changes the maturity (except as permitted herein), the Interest Payment Dates, interest rates, redemption and purchase provisions, and provisions regarding notices of redemption and purchase applicable to the affected Senior Lien Obligations; or,

(C) Diminishes the security afforded to Owners by the Credit Facility; or,

(D) Materially and adversely affects the rights and security afforded to the Owners of any Outstanding Senior Lien Obligations not secured by such Credit Facility; or

(E) Reduces the number or percentage of Owners who are required to consent to a modification of this Master Declaration.

(viii) To modify any of the provisions of this Master Declaration or any Supplemental Declaration in any other respect whatever, as long as the modification does not take effect until all Senior Lien Obligations that were issued before the date of the modification have been paid or defeased.

(B) This Master Declaration may be amended for any other purpose only upon consent of Senior Lien Obligation Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Senior Lien Obligations outstanding; provided, however, that no amendment shall be valid without the consent of Senior Lien Obligation Owners of 100 percent (100%) of the aggregate principal amount of the Senior Lien Obligations outstanding which:

(i) Extends the maturity of any Senior Lien Obligation, reduces the rate of interest upon any Senior Lien Obligation, extends the time of payment of interest on any Senior Lien Obligation, reduces the amount of principal payable on any Senior Lien Obligation, or reduces any premium payable on any Senior Lien Obligation, without the consent of the affected Senior Lien Obligation Owner; or

(ii) Reduces the number or percentage of Owners who are required to consent to a modification of this Master Declaration.

(C) For purposes of Section Section 12(B), and subject to Section Section 12(D), the initial purchaser of a series of Senior Lien Obligations may be treated as the Owner of that Series at the time that series of Senior Lien Obligations is delivered in exchange for payment.

(D) Except as expressly provided in this Master Declaration or any Supplemental Declaration, as long as a Credit Facility securing all or a portion of any Outstanding Senior Lien Obligations is in effect, the issuer of such Credit Facility shall be deemed to be the Senior Lien Obligation Owner of the Senior Lien Obligations secured by such Credit Facility at all times for the purpose of the execution and delivery of a Supplemental Declaration or of any amendment, change or modification of this Master Declaration, any waiver of a default by the City or the City, or the initiation by Senior Lien Obligation Owners of any action which under this Master Declaration requires the written approval or consent of or can be initiated by the Senior Lien Obligation Owners of at least a majority in principal amount of the affected Senior Lien Obligations at the time Outstanding; and following an Event of Default for all other purposes.

(i) The issuer of a Credit Facility shall not be allowed to consent to any amendment, change or modification of this Master Declaration which:

(A) Results in a downgrading or withdrawal of the rating then assigned to the affected Senior Lien Obligations by the Rating Agencies; or

(B) Extends the maturity of any Senior Lien Obligation, reduces the rate of interest upon any Senior Lien Obligation, extends the time of payment of interest on any Senior Lien Obligation, reduces the amount of principal payable on any Senior Lien Obligation, or reduces any premium payable on any Senior Lien Obligation, without the consent of the affected Senior Lien Obligation Owner; or

(C) Diminishes the security afforded Owners by the Credit Facility; or

(D) Reduces the number or percentage of Owners who are required to consent to a modification of this Master Declaration.

(ii) No issuer of a Credit Facility shall be entitled to exercise any rights under this Section during any period where:

(A) The Credit Agreement or Credit Facility to which such Credit Provider is a party is not be in full force and effect;

(B) The Credit Provider has pending a petition or is otherwise seeking relief under any federal or state bankruptcy or similar law;

(C) The Credit Provider has, for any reason, failed or refused to honor a proper demand for payment under its Credit Facility; or

(D) An order or decree has been entered, with the consent or acquiescence of the Credit Provider, appointing a receiver or receivers or the assets of the Credit Provider, or if such order or decree has been entered without the consent or acquiescence of such Credit Provider, the order is not vacated or discharged or stayed within ninety (90) days after its entry.

(iii) For purposes of determining the percentage of Senior Lien Obligation Owners consenting to, waiving or otherwise acting with respect to any matter that may arise under this Master Declaration, the Owners of Senior Lien Obligations which pay interest only at maturity, and mature more than one year after they are issued shall be treated as Owners of Senior Lien Obligations in an aggregate principal amount equal to the accreted value of such Senior Lien Obligations as of the date the Registrar sends out notice of requesting consent, waiver or other action as provided herein.

Section 13.Defeasance

(A) The City may defease and deem all or any portion of the Outstanding Senior Lien Obligations to be paid by:

(i) Irrevocably depositing cash or non-callable Defeasance Obligations in escrow in amounts that have been verified by a Qualified Consultant to be sufficient to pay, without reinvestment, the defeased Senior Lien Obligations on the date they mature or the date they have been called for prior redemption; and,

(ii) Delivering a report of a Qualified Consultant verifying the sufficiency of the escrow described in Section Section 13(A)(i); and,

(iii) Filing with the escrow agent an opinion of nationally recognized Senior Lien Obligation counsel that the proposed defeasance will not cause interest on the defeased Senior Lien Obligations to be includable in gross income under the Code.

(B) If Senior Lien Obligations are defeased under this Section, all obligations of the City and the City with respect to those defeased Senior Lien Obligations shall cease and terminate, except for the obligation of the City and the City, the escrow agent and the Registrar to pay the defeased Senior Lien Obligations from the amounts deposited in escrow, and the obligation of the Registrar to continue to transfer Senior Lien Obligations as provided in this Master Declaration.

Section 14.The 2005 Gas Tax Loan.

(A) Pursuant to the authority of the ORS 271.390, City Resolution No. ___ and this Master Declaration, the City has entered into its 2005 Gas Tax Loan with Bank of America, N.A. in a principal amount of $1,738,000. The 2005 Gas Tax Loan shall be a "Senior Lien Obligation" as defined in this Master Declaration. The 2005 Gas Tax Loan shall be a special obligation of the City, and shall be payable solely from the Gas Tax Revenues and amounts required to be deposited in the Senior Lien Obligations Account as required and as provided by this Master Declaration.

(B) Tax-Exempt Status:

(i) The City covenants for the benefit of the Owners of the 2005 Gas Tax Loan to comply with all provisions of the Code which are required for interest on the 2005 Gas Tax Loan to be excluded from gross income for federal taxation purposes. In determining what actions are required to comply, the City may rely on an opinion of Senior Lien Obligation Counsel. The City makes the following specific covenants with respect to the Code:

 (A) The City will not take any action or omit any action if it would cause the 2005 Gas Tax Loan to become "an arbitrage bond" under Section 148 of the Code;

 (B) The City shall operate the facilities financed with the 2005 Gas Tax Loan so that the 2005 Gas Tax Loan does not become a private activity bond within the meaning of Section 141 of the Code;

 (C) The City shall pay, when due, all rebates and penalties with respect to the 2005 Gas Tax Loan which are required by Section 148(f) of the Code.

(ii) The covenants contained in Section Section 14(B)(i) and any covenants in the closing documents for the 2005 Gas Tax Loan shall constitute contracts with the owners of the 2005 Gas Tax Loan, and shall be enforceable by them.

(iii) The City hereby designates the 2005 Gas Tax Loan as a "qualified tax-exempt obligation" under Section 265 of the Code.

(C) Construction Fund; Application of Proceeds.

(i) The 2005 Gas Tax Loan proceeds shall be applied shall be placed in the Construction Fund, and shall be disbursed only to finance Projects and costs incurred in connection with the issuance of the 2005 Gas Tax Loan.

(ii) Earnings from investment of the funds in the Construction Fund shall be maintained in the Construction Fund, and shall be treated and disbursed as 2005 Gas Tax Loan proceeds. Construction Fund balances attributable to 2005 Gas Tax Loan proceeds which are not needed for the Projects may be transferred to the Senior Lien Obligations Account.

EXECUTED ON BEHALF OF THE CITY OF KEIZER BY ITS CITY OFFICIAL AS OF THE 28th DAY OF OCTOBER 2005.

City of Keizer, Marion County, Oregon
By: ___________________________
City Official

Appendix A to Master Declaration
Form of 2005 Gas Tax Loan

This 2005 Gas Tax Loan is entered into between the City of Keizer, Oregon and Bank of America, N.A. as of this 28th day of October, 2005.
Definitions.

For purposes of this 2005 Gas Tax Loan, and unless the context clearly requires otherwise, capitalized terms used in this Loan have following meanings, and capitalized terms used but not defined in this Loan have the meanings defined for such terms in the Master Declaration.
"2005 Project" means the acquisition of land for Keizer Station for right-of-way.
"Bank" means Bank of America, N.A. or its successors.
"City" means the City of Keizer, Oregon.
"Code" means the Internal Revenue Code of 1986, as amended.
"Event of Default" has the meaning defined for that term in the Master Declaration.
"Loan" means this 2005 Gas Tax Loan.
"Master Declaration" means the City of Keizer Master Gas Tax Financing Declaration that is dated as of October 28, 2005, including any amendments made pursuant to its terms. The provisions of the Master Declaration are incorporated into this Loan by this reference.
"Resolution" means City Resolution No. __, authorizing this Loan.

Section 15. Recitals.

The City Council has adopted the Resolution, which authorizes the City to borrow up to $1,738,000 under ORS 271.390 to finance costs of the 2005 Project.

Section 16. Loan.

(A) The Bank hereby agrees to loan the City $1,738,000 under the terms and conditions of this Loan.

(B) Except as provided in Section Section 22(A), the loan shall bear interest at a rate of three and ninety-two hundredths percent (3.92%) per annum, calculated on a 30/360-day basis. Interest is due semiannually on April 1 and October 1 of each year, commencing April 1, 2006. Principal is due on October 1 of the following years in the following principal amounts:

Payment Date	Principal Amount
10/1/2006	$145,000
10/1/2007	$151,000
10/1/2008	$157,000
10/1/2009	$163,000
10/1/2010	$169,000
10/1/2011	$176,000
10/1/2012	$183,000
10/1/2013	$190,000
10/1/2014	$198,000
10/1/2015	$206,000

All outstanding principal and interest on this Loan is due on October 1, 2015.

Section 17. Prepayment.

(A) Optional Prepayment.

The principal of this loan may not be prepaid before October 1, 2008. Commencing October 1, 2008, the City may prepay loan principal, in whole or in part, on any interest payment date, at a price equal to the principal amount prepaid, plus accrued interest, plus the following premiums on the following dates (expressed as a percentage of the principal amount that is prepaid):

Dates	Premium
October 1, 2008 and April 1, 2009:	5%
October 1, 2009 and April 1, 2010:	4%
October 1, 2010 and April 1, 2011:	3%
October 1, 2011 and thereafter:	No premium

Section 18. Security for Loan.

This Loan is a Senior Lien Obligation under the Master Declaration. This Loan is a special obligation of the City that is payable solely from the Gas Tax Revenues and other amounts pledged or committed to pay Senior Lien Obligations in the Master Declaration. This Loan is not a general obligation of the City, and it is not payable from any taxes or revenues other than the revenues that are committed to pay this Loan in the Master Declaration.

Section 19. Extension.

This Loan may be extended only by written agreement of the City and the Bank.

Section 20. Deposit and Use of Loan Proceeds.

The proceeds of this Loan shall be used by the City to pay costs of the 2005 Project and costs related to obtaining this Loan.

Section 21. Tax-Exemption.

(A) The City covenants for the benefit of the Bank to comply with all provisions of the Code which are required for interest on this Loan to be excluded from gross income under the Code. In determining what actions are required to comply, the City may rely on an opinion of nationally recognized bond counsel. The City makes the following specific covenants with respect to the Code:

(i) The City will not take any action or omit any action if it would cause this Loan to become an "arbitrage bond" under Section 148 of the Code;

(ii) The City shall not take any action that would cause this Loan to be a private activity bond within the meaning of Section 141 of the Code;

(iii) The City shall pay, when due, all rebates and penalties with respect to this Loan that are required by Section 148(f) of the Code.

(B) The covenants contained in this Section Section 21 and any covenants in the closing documents for this Loan shall constitute contracts with the Bank, and shall be enforceable by them.

(C) The City has designated this Loan as a "qualified tax-exempt obligation" under Section 265 of the Code.

Section 22. Default.

(A) If an Event of Default occurs, the Bank may exercise any remedy available to an Owner under the Master Declaration. In addition, if the City fails to pay any amounts due under this Loan Agreement or the interest on this Loan Agreement ceases to be excludable from gross income under the United States Internal Revenue Code, the Bank may increase the interest rate on this Loan by two percent (2.00%).

(B) If the Bank is in default of any of its obligations under this Loan , the City may exercise any remedy available at law or in equity. No remedy shall be exclusive. The City may waive any Bank default, but no such waiver shall extend to a subsequent Bank default.

Section 23. Fees, Costs and Expenses.

(A) Bank Fees. The City shall pay the bank a fee of $1,738.00 at closing, and the fees of Bank counsel relating to this Loan in an amount not to exceed $500.00. The City shall not be obligated to pay the Bank any other fees in connection with this Loan.

(B) Costs of Enforcement. If either party incurs any expenses in connection with enforcing this Loan, or if the Bank takes collection action under this Loan, the losing party shall pay to the prevailing party, on demand, the prevailing party's reasonable costs and reasonable attorneys' fees, whether at trial, on appeal or otherwise, including any allocated costs of in-house counsel.

(C) Other Fees and Costs. The City shall pay the fees and costs of Preston Gates & Ellis LLP ("Bond Counsel"), and any other expenses and costs which the City incurs in connection with this Loan.

Section 24. Representations, Warranties and Agreements of the City.

By executing this Loan in the space provided below, the City represents and warrants to, and agrees with the Bank that:

(A) The City is duly created and existing under the laws of the State of Oregon, has all necessary power and authority to enter into this Loan and perform its duties under the Resolution and this Loan, and that the Resolution, this Loan will constitute legal, valid and binding obligations of the City which are enforceable in accordance with their terms.

(B) The acceptance of this Loan, the adoption of the Resolution and the execution and delivery of the Note will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, Resolution or other agreement to which the City is a party or by which it is bound.

(C) Except as previously disclosed to the Bank, there is no action, suit, proceeding or investigation at law or in equity before or by any court or government, city or body pending or, to the best of the knowledge of the City, threatened against the City to restrain or enjoin the acceptance of this Loan, the adoption of the Resolution or the execution and delivery of the Note, or the collection and application of the funds as contemplated by the Resolution and this Loan, which, in the reasonable judgment of the City, would have a material and adverse effect on the ability of the City to pay the amounts due under this Loan.

(D) To the extent permitted by law, the City agrees to indemnify and hold harmless the Bank and all of its agents and employees against any and all losses, claims, damages, liabilities and expenses arising out of any statement made by the City to the Bank, its agents or employees, which relates to this Loan , and which is untrue or incorrect in any material respect.

Section 25. Financial Statements; Notice of Adverse Developments; Budgets.

(A) While this Loan is in effect the City shall provide the Bank with:

(i) The audited annual financial statement for Borrower within 210 days of the Borrower's fiscal year end.

(ii) The annual budget for Borrower within 45 days of adoption..

(B) The City shall notify Bank of America promptly of any material adverse development, which might reduce or retard Borrower's receipt of resources pledged to the repayment of the 2005 Gas Tax Loan.

Section 26. Conditions to the Obligations of the Bank.

The Bank may refuse to advance funds under this Loan:
(A) If there has occurred:

(i) a declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community and the United States which in the reasonable opinion of the Bank materially disrupts the ability of the Bank to advance funds under this Loan;

(ii) a declaration of a general banking moratorium by federal, New York, California or Oregon authorities, or the general suspension of trading on any national securities exchange, which in the reasonable opinion of the Bank materially disrupts the ability of the Bank to advance funds under this Loan.

(B) If on or prior to the execution of this Loan the Bank shall not have received:

(i) an opinion of Bond Counsel to the effect that the Loan and Note are valid and legally binding full faith and credit obligations of the City enforceable against the City in accordance with their terms, and that interest on the Loan and Note are excludable from gross income under the Code.

(ii) the certificate of a Finance Director to the effect that:

(A) except as previously disclosed to the Bank, there is no action, suit, proceeding or investigation at law or in equity before or by any court or government, city or body pending or, to the best of the knowledge of the City, threatened against the City to restrain or enjoin the adoption of the Resolution or the execution and delivery of this Loan and the Note, or the collection and application of funds as contemplated by this Loan , which, in the reasonable judgment of the City, would have a material and adverse effect on the ability of the City to pay the amounts due under this Loan, and

(B) the adoption of the Resolution and the execution and delivery of this Loan do not and will not conflict in any material respect with or constitute on the part of the City a breach of or default under any law, charter provision, court decree, administrative regulation, Resolution or other agreement or instrument to which the City is a party or by which it is bound.

(C) If the Bank reasonably determines that:

(i) the representations and warranties of the City in this Loan and the Resolution were untrue in any material respect when made, or have become untrue; or

(ii) there has been a material, adverse change in the Gas Tax Revenues; or

(iii) an Event of Default has occurred and is continuing.

Section 27. Arbitration and Waiver of Jury Trial.

(A) This Section concerns the resolution of any controversies or claims between the City and the Bank (the "parties") whether arising in contract, tort or by statute, including but not limited to controversies or claims that arise out of or relate to: (i) this Facility (including any renewals, extensions or modifications); or (ii) any document related to this Facility (collectively a "Claim"). For the purposes of this arbitration provision only, the term "parties" shall include any parent corporation, subsidiary or affiliate of the Bank involved in the servicing, management or administration of any obligation described or evidenced by this Facility.

(B) At the request of any party to this Facility, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the "Act"). The Act will apply even though this Facility provides that it is governed by the law of a specified state. The arbitration will take place on an individual basis without resort to any form of class action.

(C) Arbitration proceedings will be determined in accordance with the Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof ("AAA"), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, any party to this Facility may substitute another arbitration organization with similar procedures to serve as the provider of arbitration.

(D) The arbitration shall be administered by AAA and conducted, unless otherwise required by law, in any U.S. state where real or tangible personal property collateral for this credit is located or if there is no such collateral, in the state specified in the governing law section of this Facility. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars ($5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed, judgment entered and enforced.

(E) The arbitrator(s) will give effect to statutes of limitation in determining any Claim and may dismiss the arbitration on the basis that the Claim is barred. For purposes of the application of the statute of limitations, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Facility.

(F) This paragraph does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(G) The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

(H) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this Facility to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Facility.

Section 28. Notices.

Any notices required to be given pursuant to this commitment letter or this Facility shall be given to the following addresses:

City:

City of Keizer
930 Chemawa Road NE
Keizer, OR 97303
Attention: Finance Director

Bank:

Bank of America, N.A.
Government Banking [OR 1-129-17-15]
1700 Bank of America Financial Center
121 S.W. Morrison Street
Portland, OR 97204-3117

Section 29. Survival; Loan Constitutes Contract.

This Loan may not be assigned by the City or the Bank without the other’s consent. All representations, warranties, and agreements contained in this Loan shall survive the execution, delivery and payment of this Loan. This Loan shall constitute a contract between the City and the Bank. The Bank's extension of credit hereunder is expressly made in reliance on such contract.

Section 30. Applicable Law.

This Loan shall be governed and interpreted in accordance with the laws of the State of Oregon.

Section 31. Severability and Waivers.

If any part of this Loan is not enforceable, the rest of the Loan may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank or the City waives a default, it may enforce a later default. Any consent or waiver under this Loan must be in writing.

Section 32. Counterparts.

This Loan may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

Section 33. Written Agreements.

Under Oregon law, most agreements, promises and commitments made by the Bank concerning loans and other credit extensions which are not for personal, family or household purposes or secured solely by the borrower's residence must be in writing, express consideration and be signed by the Bank to be enforceable.

DATED as of this 28th day of October, 2005.

BANK OF AMERICA, N. A. (the "Bank")

By:___________________________________
Authorized Officer

CITY OF KEIZER, OREGON (the "City")

By:___________________________________
Finance Director

CITY COUNCIL MEETING: October 17, 2005

AGENDA ITEM NUMBER:___________

TO: **MAYOR CHRISTOPHER AND CITY COUNCIL MEMBERS**

THRU: **CHRIS EPPLEY, CITY MANAGER**

FROM: **H. MARC ADAMS, CHIEF OF POLICE**

SUBJECT: **Authorization for Acceptance of Grant Funds**

ISSUE:

The City of Keizer Police Department has been awarded $3,800 for a seat belt traffic safety grant and $3,600 for a DUII traffic safety grant. The grants will fund overtime for special enforcement patrols.

RECOMMENDATION:

It is recommended that Council adopt the attached resolution authorizing the acceptance of these grant funds.

If you have any questions please contact H. Marc Adams, 503.390.3713 – adamshm@keizer.org

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2005-_____

AUTHORIZATION FOR ACCEPTANCE OF GRANT FUNDS

WHEREAS, the City of Keizer will receive funds during fiscal year 2005-2006 that were not anticipated prior to the adoption of the budget;

WHEREAS, such funds are to be used specifically for the expenditures identified below;

WHEREAS, ORS 294.326(3) provides for expenditure in the year of receipt of grants, gifts, bequests or devises transferred to the local government in trust for a specific purpose; NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer, that appropriations for the fiscal year ending June 30, 2006 be authorized in the amounts indicated below:

General Fund	Increase	Increase
Personal Services – Overtime	$7,400	
Revenue – Police Grants		$7,400

PASSED this _____ day of __________________ 2005.

SIGNED this _____ day of __________________ 2005.

____
Mayor

____
City Recorder

CITY COUNCIL MEETING: <u>October 17, 2005</u>

AGENDA ITEM NUMBER:__________

TO: MAYOR CHRISTOPHER AND CITY COUNCIL MEMBERS

THRU: CHRIS EPPLEY, CITY MANAGER

FROM: H. MARC ADAMS, CHIEF OF POLICE

SUBJECT: Authorization for Acceptance of Forfeiture Funds

ISSUE:

The City of Keizer Police Department has received funds in the amount of $2,637.18 as a result of a criminal forfeiture pursuant to Oregon Revised Statutes. (ORS.137.010)

RECOMMENDATION:

It is recommended that Council adopt the attached resolution authorizing the funds to be placed in the Keizer Police Department Investigations line item (010-111-291124).

If you have any questions please contact H. Marc Adams, 503.390.3713 – adamshm@keizer.org

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2005-_____

AUTHORIZATION OF EXPENDITURE OF SPECIFIC PURPOSE FUNDS

WHEREAS, the City of Keizer received funds during fiscal year 2005-2006 that were not anticipated prior to the adoption of the budget;

WHEREAS, such funds are to be used specifically for the expenditures identified below;

WHEREAS, ORS 294.326(3) provides for expenditure in the year of receipt of grants, gifts, bequests or devises transferred to the local government in trust for a specific purpose; NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer, that appropriations for the fiscal year ending June 30, 2006 be authorized in the amounts indicated below:

Police Department Criminal Forfeiture	Increase	Increase
Materials and Services - Investigations	$2,700	
Revenue – Misc Police Income		$2,700

PASSED this _____ day of __________________, 2005.

SIGNED this _____ day of __________________, 2005.

____

Mayor

____

City Recorder

KEIZER SINCE 1982

MINUTES
KEIZER CITY COUNCIL
Tuesday, September 6, 2005
Keizer City Hall
Robert L. Simon Council Chambers
Keizer, Oregon

CALL TO ORDER

Mayor Christopher called the regular meeting to order at 7:02 pm. Roll Call was taken as follows:

Present:	**Staff:**
Lore Christopher, Mayor	Shannon Johnson, City Attorney
Richard Walsh, Council President	Marc Adams, Police Chief
Jacque Moir, Councilor	Nate Brown, Community Development
Chuck Lee, Councilor	Chris Eppley, City Manager
Jim Taylor, Councilor	Tracy Davis, City Recorder
David McKane, Councilor	**Absent:**
A.J. Perez, Youth Councilor	Troy Nichols, Councilor

FLAG SALUTE

Youth Councilor A.J. Perez, led the pledge of allegiance. Mayor Christopher then welcomed him reviewing his accomplishments and hobbies. Mr. Perez then explained some of his gymnastic experiences.

PUBLIC TESTIMONY

State Representative, Kim Thatcher, offered an update on events at the Capitol over the last 7-8 months. She noted that a task force was formed to address implementation language of Measure 37 and to review the state's land use laws. Land use and economic development issues were addressed in the legislature as well as administrative rules, telecommunication law revisions, prevailing wage issues and laws relating to water issues and transportation. She concluded that she was anxious to serve the City of Keizer and added that Town Hall meetings were scheduled for September 14 and 15.

Discussion followed regarding navigation laws, water way permits, urban growth boundaries, meth-related bills and the commission to reevaluate the structure of the legislature.

Maxine Armstrong, Keizer, reported that the back of her property faces the train tracks and Keizer Station and noted that she and her neighbors were not prepared for the noise, dust and structural damage caused by this development. Rob Kissler responded that night work was necessary in order to keep the railroad open and water trucks are trying to control the dust issue. City Manager Chris Eppley added that pilings should be complete by September 23 and public roads should be paved by the end of October. Additionally, the city has placed seismic recording instrumentation in the area and hired a seismic engineer to evaluate the data to determine if the vibrations are strong enough to cause structural damage. Nate Brown explained the planned location of the sound wall. Rob Kissler added that the city is working on getting information on the website and having a telephone recording available.

David Ferris, Keizer, voiced concern about safety issues for residents in the Keizer Station area especially erosion issues and a suggested the installation of a gate in the sound wall. Mr. Eppley responded that residents will be invited to participate in the design of the wall.

COMMITTEE REPORTS

a. Check Presentation to the Keizer Police Department from David and Arlene Banks

Police Chief Marc Adams introduced David Banks giving a brief history of events leading to his desire to make this donation. He explained that the donation will be used to install in-car video systems to help the department in the fight against meth use in the community.

David Banks then expressed his gratitude to Keizer for being his home away from home adding that this was his way of giving something back to the community. He concluded that he hoped this would help law enforcement fight the methamphetamine epidemic. Council members welcomed Mr. and Mrs. Banks and expressed gratitude.

b. Resolution Authorizing Expenditure of Specific Purpose Funds (Banks)

<u>Councilor Walsh moved to suspend the rules. Councilor Moir seconded. Motion passed unanimously as follows:</u>

AYES: Christopher, Walsh, Lee, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Nichols (1)

<u>Councilor Walsh moved to adopt Resolution R2005 Authorizing Expenditure of Specific Purpose Funds. Councilor Moir seconded. Motion passed unanimously as follows:</u>

AYES: Christopher, Walsh, Lee, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Nichols (1)

b. Appointment to Keizer Planning Commission

City Manager, Chris Eppley, reported that there were two vacancies on the Planning Commission. Notice of the vacancies was published and Kevin Baker and Doug Schneider were unanimously recommended to fill the vacancies by the Volunteer Coordinating Committee. Mr. Baker and Mr. Schneider were invited to attend the City Council meeting to receive a proclamation for the appointment.

Councilor Walsh moved that City Council accept the recommendation of the Volunteer Coordinating Committee and appoint Kevin Baker and Doug Schneider each to a three year term on the Keizer Planning Commission. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Lee, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Nichols (1)

Councilors Moir and Lee then thanked Bruce Anderson and Stan Compton for the terms they served on the Planning Commission.

c. Appointment to Keizer Traffic Safety Commission

City Manager, Chris Eppley, reported that there was a vacancy on the Traffic Safety Commission. Notice of the vacancy was published and Charles Hoffer was unanimously recommended to fill the vacancy by the Volunteer Coordinating Committee. Mr. Hoffer was invited to attend the City Council meeting to receive a proclamation for the appointment.

Councilor Walsh moved that City Council accept the recommendation of the Volunteer Coordinating Committee and appoint Charles Hoffer to fill the vacant position on the Traffic Safety Commission. Councilor Taylor seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Lee, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Nichols (1)

d. Appointment to Keizer Budget Committee

City Manager, Chris Eppley, reported that there were four vacancies on the Budget Committee. Notice of the vacancies was published and Terry Gordon, Donna Bradley, Stephen Johnston and Jim Gores were unanimously recommended to fill the vacancies by the Volunteer Coordinating Committee. Terry Gordon, Donna Bradley, Stephen Johnston and Jim Gores were invited to attend the City Council meeting to receive a proclamation for the appointment.

Councilor Walsh moved that City Council accept the recommendation of the Volunteer Coordinating Committee and adopt Terry Gordon, Donna Bradley, Stephen Johnston and Jim Gores to fill the vacancies on the Keizer Budget Committee. Councilor McKane seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Lee, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Nichols (1)

OTHER BUSINESS
a. New Business
b. Old Business

Councilor Walsh reported that:

- **Bikeways Committee** has been working with Keizer Fire Department, Traffic Safety Commission and the Police Department to pursue an ACTS Oregon Grant to get resources for helmets. They will have a booth at the Fire Department Open House October 10. Additionally, they have a vacancy for a high school student in the committee. Councilor Taylor suggested that a middle school student be considered.
- **RIVERR Task Force** thanks Darlene Hooley for her assistance in taking the last grant through its final phase so that the city received $250,000 which allows the purchase of land for Keizer Rapids Park. The Water Trail is up and running and includes Keizer Rapids. He encouraged everyone to provide input for the park by completing the Keizer Rapids Questionnaire and concluded that this has been a joint venture with contribution from all the other partners and granting agencies.
- **Library Task Force** has met with the mediator and the City Manager is working on some innovative approaches to the problem. There will be more to report next time. Mayor Christopher pointed out an inaccurate statement made in the paper by Barb Prince regarding paying for the library with urban renewal funds. She explained that if an agreement can be reached with CCRLS with full membership it would go to a vote of Keizer residents.

Councilor Lee reported that August was **No Meth** Month in Keizer as noted by the Proclamation issued in August. He thanked the Police Department for their assistance in the No Meth Resource Fair in August which had an attendance of 215. Many public school teachers are participating in meth education programs for the students and the task force is trying to contact 350 businesses in Keizer regarding ID theft prevention. He concluded with thanks to the Police Department and Keizer Chamber.

Chief Adams reported that applications for the police officer position close on the 9th. He then commended his officers on their response to a bank robbery and described the event in detail and expressed his gratitude to all participants at the No Meth Resource Fair.

Rob Kissler reported that Chemawa Road is now open. He explained the process which took place to get the best value for the street lights and requested that Council approve the purchase of the lights pointing out that this amount has already been budgeted in the Urban Renewal Budget; decorative cobras will be used with illumination going downward. Chris Eppley added that by purchasing the lights outside the original bid package the city was able to save money.

Councilor Walsh moved to suspend the rules. Councilor Lee seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Lee, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Nichols (1)

Councilor Walsh moved to adopt Resolution R2005 Authorizing the City Manager to Purchase Decorative Street Lights for Chemawa Road NE. Councilor McKane seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Lee, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Nichols (1)

Mr. Kissler reported that ODOT is very close to completing review of the bridge work and it appears that the bridge construction will not go out to bid until December. Funding is intact but bridge construction will have to wait until May. Discussion followed regarding the crosswalk material used on Chemawa and a traffic control signal at Chemawa and Verda. Funds have been budgeted for the light but land acquisition needs to take place.

Community Development Director, Nate Brown, reported that his department was proceeding with interviews for a Senior Planner adding that some remodeling will need to be done to make room for the new member of the department.

City Attorney, Shannon Johnson, reported that the Area B right-of-way acquisition for Keizer Station Boulevard is nearly complete. Area C acquisitions will be addressed next.

Youth Councilor Perez reported that the first day of school was Tuesday and wished everyone a fun and safe year.

ADMINISTRATIVE ACTION

a. Bray's Hideaway Restaurant and Lounge – Change of Ownership

City Manager Chris Eppley reported that an application was submitted for a Change of Ownership for Bray's Hideaway Restaurant and Lounge, Keizer, Oregon. A public hearing is not required. A background check was done, and a letter was sent to the applicants requesting their appearance at the City Council meeting. Staff recommends that Council approve the application.

Following questioning about noise complaints the new owners stated that they would do everything to operate within the letter of the law.

Councilor Walsh moved to approve the Recommendation to Oregon Liquor Control Commission for the Change of Ownership for the Liquor License for Bray's Hideaway Restaurant and Lounge. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Lee, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Nichols (1)

b. RESOLUTION – National Incident Management System

Captain Teague reviewed the requirements of the National Incident Management System including the approval of a Resolution adopting NIMS as the way business is done in a disaster – operating seamlessly with other responding agencies: County, State and Federal. Additionally, Captain Teague stressed the importance of having a "72-hour kit" for use in emergencies to allow for government response. He concluded by reviewing impacts of failure to adopt this resolution. Discussion followed regarding training, control of emergency situations, and the Keizer Emergency Operations Plan. Additionally, he encouraged everyone to check www.redcross.org for the 72-hour kits.

Councilor Walsh moved to adopt Resolution R2005 Adopting the National Incident Management System. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Lee, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Nichols (1)

CONSENT CALENDAR

a. RESOLUTION – Declaring Surplus Property – Keizer Police Department
b. RESOLUTION – Authorizing the Mayor and City Manager to Enter Into Regional Automated Information Network (RAIN) Amended Agreement
c. Approval of August 1, 2005 Regular Session Minutes
d. Approval of August 8, 2005 Work Session Minutes
e. Approval of August 15, 2005 Work Session Minutes
f. Approval of August 15, 2005 Regular Session Minutes

Councilor Walsh moved to approve the Consent Calendar. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Lee, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Nichols (1)

WRITTEN COMMUNICATIONS Councilor Walsh reported that the Willamette Water Trail was featured in the publication "Cooperative Conservation Magazine" on August 30.

AGENDA INPUT

September 12, 2005
5:30 p.m. City Council Work Session - Cancelled

September 19, 2005
7:00 p.m. City Council Regular Session
- Marion County Treasurer's Strategic Plan Presentation
- Public Hearing Permanent Closure of Fourth Place

October 3, 2005
7:00 p.m. City Council Regular Session

ADJOURNMENT Mayor Christopher adjourned the meeting at 8:59 p.m.

APPROVED:

MAYOR:

Debbie Lockhart, Deputy City Recorder

Lore Christopher

COUNCIL MEMBERS

Councilor #1 – David McKane

Councilor #4 – Jacque Moir

~ Absent ~
Councilor #2 – Troy Nichols

Councilor #5 – Richard Walsh

Councilor #3 – Charles E. Lee

Councilor #6 – James Taylor

Minutes approved:

MINUTES
KEIZER CITY COUNCIL
Monday, September 19, 2005
Keizer City Hall
Robert L. Simon Council Chambers
Keizer, Oregon

CALL TO ORDER

Mayor Christopher called the regular meeting to order at 7:00 pm. Roll Call was taken as follows:

Present:	**Staff:**
Lore Christopher, Mayor	Shannon Johnson, City Attorney
Richard Walsh, Council President	Marc Adams, Police Chief
Jacque Moir, Councilor	Nate Brown, Community Development
Jim Taylor, Councilor	Chris Eppley, City Manager
David McKane, Councilor	Rob Kissler, Public Works
Troy Nichols, Councilor	Debbie Lockhart, Deputy City Recorder
A.J. Perez, Youth Councilor	**Absent:**
	Chuck Lee, Councilor

FLAG SALUTE

The pledge of allegiance was spoken by all present.

PUBLIC TESTIMONY

None

COMMITTEE REPORTS

a. Marion County Treasurer Strategic Plan Presentation – Laurie Steele

Marion County Commissioner, Janet Carlson, representing Laurie Steele, reviewed briefly the presentation concluding that the purpose was to get input on strategic planning. Council members then responded to the following questions:

- *What are the top 4 or 5 issues effecting people and communities of Marion County now and going forward over the next 3-5 years?* Answers: Growth (land supply); jail space; drugs and meth kids (foster crisis); crime (prison industry programs and crime prevention); traffic issues (third bridge across the Willamette); economic development and emergency preparedness coordination.
- *Which of these are not County issues? Council agreed that all issues listed are county issues to be addressed in partnership with cities.*
- *If Marion County were to direct resources and efforts toward two or three of these issues, which ones do you see as the highest priority?* Ms. Carlson summarized issues to be: growth, drugs/crime, transportation, economic development and emergency

preparedness. Mayor Christopher suggested that the city send a letter restating these priorities and go into specific detail. She encouraged Councilors to prioritize this list and submit that information to Chris Eppley along with additional ideas for Marion County.

b. Appointment to Keizer Parks Advisory Board

City Manager, Chris Eppley, reported that there was a vacancy on the Parks Advisory Board. Notice of the vacancy was published and Clint Holland was unanimously recommended to fill the vacancy by the Volunteer Coordinating Committee. Mr. Holland was invited to attend the City Council meeting to receive a proclamation for his appointment.

Councilor Walsh moved to accept the Recommendation of the Volunteer Coordinating Committee and appoint Clint Holland to fill the vacant position on the Keizer Parks Advisory Board. Councilor Taylor seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

PUBLIC HEARING
a. Permanent Closure of Fourth Place

City Attorney, Shannon Johnson, explained that this was a "housekeeping measure" to finalize an earlier resolution. He added that neither Public Works nor the Police Department have concerns with leaving it closed.

Mayor Christopher opened the public hearing.

Ken Parshall, Principal of McNary High School, Salem, noted that he was in attendance to answer questions on behalf of McNary High School and the School District and offered support for the Council decision. He then fielded questions regarding gates and automobile and pedestrian traffic patterns.

Mayor Christopher then read letters submitted to the Council from the Keizer Fire District stating that the District was opposed to the permanent closure of 4th Place because 1) closure eliminates a secondary access to Sandy Drive and McNary High School and 2) the fire hydrant located on 4th Place is a critical water source in the event of a fire at McNary, or several homes on Sandy Drive.

Joel Stein, Fire Marshal of Keizer Fire District, Keizer, pointed out that the hydrant is critical to Kestrel, Fourth Place and McNary High School. He explained that the position of the gate and hydrant makes use of the hydrant time consuming and time is of utmost importance when responding to an emergency. Additionally the new gas station at the corner of Sandy and River Road could present a hazard with the barricade in place.

Rob Kissler explained that before McNary High School had an entrance off Chemawa North and at Lockhaven, the school was considering closing Sandy Drive because of the volume of traffic coming down River Road into the school. At that point a decision was made to build a new access over to Lockhaven, and McArthur Court was closed with a pedestrian access only. Additionally there are pedestrian accesses at Robindale and Sandy Drive.

Harve Wilburn, Keizer, distributed copies of a petition signed by Fernwood Park residents concerning the closure of 4th Place. He explained that he lived in the neighborhood when the street was open and remembers cars running into houses and yards and concluded that for the safety of the neighborhood the street should remain closed.

Nancy Cameron, Keizer noted that she has lived in the neighborhood for over 20 years and explained that prior to the closure there was a great deal of traffic. Now there are 20 to 25 cars that still come down to the barricade to drop of children in the morning, but if it is opened, those cars would undoubtedly travel through the neighborhood rather than turn around. She added that the fire department had told her that the barricade is a “breakaway gate” so not a safety issue. She concluded that she was in favor of leaving the barricade in place.

Mary Thorpe, Keizer, voiced concern over the safety of children in the neighborhood should the barricade be removed adding that she felt this issue outweighed the improved access to the fire hydrant.

Jim Booth, June Leonard, Jennifer and Darell Ducharme, Richard Labarthe, Joshua Peters, Mr. & Mrs. Camenisch, Jerry Jackson, Sharla Gibson, Lee Vaughn and Lester Mudgett, all residents of Keizer, voiced concern that traffic would increase dramatically if the barricade was removed and requested that the barricade remain in place.

Discussion followed regarding the possibility of increased traffic in the neighborhood should the barricade be removed and the impact on the neighborhood, the need for stop signs in the neighborhood, speeding traffic, safety of children, the possibility of increased crime, emergency response time, fire code requirements for access to hydrants and the fact that there are only two hydrants to serve this neighborhood. Mayor Christopher summarized the question at hand: ensuring the availability of water to the fire district should the need arise and preservation of the neighborhood. She concluded that she was not prepared to make a decision because she didn't feel she had enough information.

Mayor Christopher closed the public hearing.

Mayor Christopher stated that she felt a compromise could be reached on this issue by looking into stop signs, speed bumps or humps and weighing the testimony of neighbors and the Fire District. She suggested referring this issue to staff and Traffic Safety Commission for further consideration and determination of a possible compromise. Council agreed to do this by consensus. City Manager Eppley noted that it would probably take at least 90 days to accomplish this task.

OTHER BUSINESS
a. New Business
b. Old Business

Windsor Island Road Speed Study ~ Public Works Director, Rob Kissler reported that citizens had approached the Traffic Safety Commission regarding the speed limit on Windsor Island Road. He offered a brief history of the speed patterns for the road adding that although most drivers are obeying the speed limit, because of the expansion of Willow Lake, the new golf driving range and increased truck and pedestrian traffic, Traffic Safety Commission requested that city staff contact the Oregon Speed Control Board to perform a speed study on Windsor Island Road from Lockhaven to the north City limits. Mr. Kissler then fielded questions from Council.

Councilor Walsh moved to direct staff to expand the proposed speed study to cover all of Windsor Island Road. Councilor Taylor seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

Promissory Note to Trust for Public Lands ~ City Attorney Shannon Johnson corrected the amount from $400,000 to $420,000 on the Resolution. He explained that Winifred Charge is selling her property to TPL who will immediately sell the property to the city, but since grant fund disbursement is not occurring in time to complete this transaction TPL will give the city an interest-free loan through the end of the year in order to complete the transaction. He continued with an explanation of the Declaration of Restrictive Covenants. Community Development Director, Nate Brown, offered a brief explanation of the grant funding mechanism.

Councilor Walsh moved to suspend the rules. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

Councilor Walsh moved to approve Resolution R2005 Authorizing the City Manager to sign Declaration of Restrictive Covenants, Agreement Regarding Uses for Keizer Rapids Parks Property and Promissory Note (Keizer Rapids Park/Charge Property) as amended. Councilor McKane seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

Councilor Moir reported that:

- **Water Wastewater Task Force** (Salem/Keizer) reports that the Willow Lake administrative building construction has begun. The $84,000,000 which was supposed to cover the project has increased to approximately $147,000,000 because of the increased cost of steel. Salem is doing an evaluation on possible rate increases because of the increased costs, and investigating alternative measures in modernization of the plant. Salem sewer consumer costs are still below average state level. Plant modifications may begin next spring depending on the cost effectiveness of the project. Rob Kissler explained that consideration is being given to various replacements and spot improvements instead of the overall plant modifications in order to keep rates lower.
- **Planning Commission** held a Public Hearing on a Sign Code Amendment and continued it until next meeting on October 5 at 6 p.m. Phase 1 of the review covers staff recommendations and Phase 2 will be anything else.
- **Parks Advisory Board** held a work session and a regular meeting. The Board is concerned over possible future projects and their involvement. Another work session may be scheduled jointly with Council to address this issue.
- **9-11 Ceremony** was memorable and well attended by Councilors.

Councilor Walsh reported that:

- **Chamber of Commerce Government Affairs Meeting** hosted Kim Thatcher who spoke about her trip to China. If anyone has a specific marketing proposal for Asia, Ms. Thatcher would be interested. Restructuring of the Government Affairs Economic Development Committee is being discussed.

- **Advantage Limousine** has been welcomed to the city and has set up business on Cherry Avenue.
- **9-11 Ceremony** was memorable, kudos are due; the Mayor's speech was one of the most moving and she represented the city well.
- **RIVERR Task Force** meeting will be on September 21. As always Parks Board is invited to begin working on the next phase of this project. Surveys have been completed and responses (600) are being tallied. Mayor Christopher read a letter supporting the Keizer Rapids Park project.

Chief Adams reported that there are two openings in the department; following testing 36 applicants remain in the running and interviews will begin in the next couple of weeks.

Public Works Director, Rob Kissler, reported on Keizer Station construction: Some night or weekend work may be necessary because of train locations and schedules. He encouraged everyone to check out the current news posted on the website www.keizer.org for updated information. Due to prohibitive cost, aerial photos and digital photos will be posted in lieu of the webcam.

Community Development Director, Nate Brown reported that Sam Litke will be starting employment with the City on October 3

Youth Councilor A.J. Perez reported that things are going well. McNary is getting fired up again for the year. The football team is unbeaten; Powder Puff game is next Wednesday.

ADMINISTRATIVE ACTION

a. Keizer Village Shopping Center Special Event

Doc Titus, Keizer, explained that on behalf of Gold's Gym, he would be coordinating a birthday celebration at Keizer Village and he requested a special event permit. Planning Director Nate Brown explained that Council has the authority to set forth "Special Events" and set forth conditions necessary to protect the public health and safety. Dialogue took place with Mr. Titus regarding parking, traffic impact, road closures and placement of the honey buckets. It was also noted that 50% of the net from this event will be donated to the Red Cross for hurricane relief.

Councilor Walsh moved to Approve the 40th Anniversary Birthday Bash as a special event located at the Keizer Village Shopping Center September 29th, 30th and October 1st conditioned upon the applicant providing to staff :(1) written approval from all tenants at the shopping center for the event, (2) an acceptable plan to provide parking for the number of displaced parking stalls, and (3) written approval from both fire district and the police department for the event. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

b. RESOLUTION – Authorizing Loan Payable From Water System Revenues

Finance Director, Susan Gahlsdorf, referred Council to the Resolution asking for authorization to issue $2.6 million in debt to support the water CIP adding that this was anticipated and in the budget and CIP.

Councilor Walsh moved to adopt a Resolution Authorizing a $2.6 Million Loan Payable Solely from Water System Revenues and a Master Water Revenue Financing Declaration that Establishes the Terms for Future Water Revenue Financings. Councilor Nichols seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

c. RESOLUTION – Transfer Contingency for Office Expansion

Director Gahlsdorf noted that the Request for Supplemental Budget to pay for minor remodeling at city hall is to accommodate the new Senior Planner in the Planning Department. She pointed out that the allocation for each operating fund is equal to the $22,000. Urban Renewal is not included.

Councilor Walsh moved to adopt Resolution R2005 Authorization for Resolution Transfer. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

WRITTEN COMMUNICATIONS

Mayor Christopher

- Read a thank you letter from Chet Patterson for his birthday celebration.
- Reminded Councilors of the Marion Conservation District Annual Meeting and silent auction on Friday, October 7, 5:30 at Gervais High School.
- Reported that Oregon Mayors Association and the League of Oregon Cities have invited 7th and 10th grade students to participate in a statewide poster and essay contest: "If I were mayor, I would…". Deadline is October 14.

AGENDA INPUT

October 3, 2005
7:00 p.m. City Council Regular Session

October 10, 2005
5:30 p.m. – City Council Work Session
- 2006 Bond Election – Civic Center

October 17, 2005
7:00 p.m. City Council Regular Session

ADJOURNMENT Mayor Christopher adjourned the meeting at 10:07 p.m.

APPROVED:

MAYOR:

Debbie Lockhart, Deputy City Recorder

Lore Christopher

COUNCIL MEMBERS

Councilor #1 – David McKane

Councilor #4 – Jacque Moir

Councilor #2 – Troy Nichols

Councilor #5 – Richard Walsh

~ Absent ~
Councilor #3 – Charles E. Lee

Councilor #6 – James Taylor

Minutes approved:

MINUTES
KEIZER CITY COUNCIL
Monday, October 3, 2005
Keizer City Hall
Robert L. Simon Council Chambers
Keizer, Oregon

CALL TO ORDER

Mayor Christopher called the regular meeting to order at 7:00 pm. Roll Call was taken as follows:

Present:	**Staff:**
Lore Christopher, Mayor	Shannon Johnson, City Attorney
Richard Walsh, Council President	Marc Adams, Police Chief
Jacque Moir, Councilor	Nate Brown, Community Development
Jim Taylor, Councilor	Chris Eppley, City Manager
David McKane, Councilor	Rob Kissler, Public Works
Troy Nichols, Councilor	Debbie Lockhart, Deputy City Recorder
A.J. Perez, Youth Councilor	**Absent:**
	Chuck Lee, Councilor

FLAG SALUTE

Mayor Christopher led the flag salute.

PUBLIC TESTIMONY

None

COMMITTEE REPORTS

a. Traffic Safety Commission Report – ACTS Oregon Grant: Inventory Clerk Report

Steve Prothero, Chairman of the Traffic Safety Commission explained that the Commission had received a grant from the Alliance for Community Traffic Safety to do a pedestrian/bicycle facilities inventory throughout the city. Carl Anderson was hired and performed the inventory. Mr. Anderson then explained the maps and data base with a brief Power Point presentation showing the locations of bike paths and sidewalks. He pointed out that this information could be used in prioritizing future needs of the community and has been submitted to the Community Development and Public Works Departments. Discussion followed regarding storing and maintaining the maps and data base electronically so they could be kept up to date.

Councilor Nichols reported that

- **Salem-Keizer Area Transportation Study (SKATS)** met on September 27 and discussed the process for hiring consultants to participate in the environmental impact statement for the new Salem bridge.

- **KURB** met on September 28 and reviewed the Baskin-Robbins project and discussed the figure agreed upon for the Expo Center Sports Complex. It was the consensus of the Board to limit funding to $7,000,000 for this project without sufficient explanation of the cost increase.

Councilor Moir reported that

- **Planning Commission** will hold a special meeting on October 5 to continue the Public Hearing on suggested sign code amendments regarding secondary signage and proposed water tower signage. A new chair and vice chair will be elected as well.
- **Parks Board** will meet October 11 in Conference Room A
- **Keizer Animal Rescue and Emergency Sheltering (KARES)** meets October 13 in Conference Room A

Councilor Walsh reported that

- **RIVERR Task Force** meeting was energetic with public testimony from: The Captain of the Willamette Queen sternwheeler, Dr. E. George Sitkei, OSU Extension office, the project coordinator of JEM (Juvenile Enrichment Mentoring), a representative from the Bikeways Committee, and various other citizens. 1536 responses were received from the questionnaire and tabulation is complete. The Charge parcel has closed and efforts will now be focused on the Buchholz property. Dan Miller will be assisting with the master planning process beginning at the next meeting. An inventory assessment of recreational facilities in the area is also being done. Discussion followed regarding conservation easements and maintenance issues.
- **Bikeways Committee** assisted in the Pedestrian/Bicycle Inventory. Mr. Walsh thanked them for their participation.

Councilor McKane reported the **Traffic Safety Commission** will be meeting on October 27 and will discuss the 4th Place barricade. They will review the testimony from the September 19 Council meeting and traffic counts which Sgt. Inman is collecting in addition to receiving testimony from neighborhood residents. Additional discussion will cover controlled/uncontrolled intersections.

Councilor Taylor reported that the next **Keizer Points of Interest Committee (KPIC)** is October 5 at the Heritage Center.

Mayor Christopher reported that **River Road Renaissance Advisory Committee** met on September 27 and Jerry McGee presented a proposal from KPIC for focal point monuments. She encouraged anyone interested to attend these meetings which are held on the 4th Tuesday of the month at 5 p.m. She added that the Chamber has 50 youth to help clean up the city. Interested parties should contact the Chamber.

PUBLIC HEARING

a. RESOLUTION ~ Authorizing the City Manager to Enter Agreement to Sell Property at 1505 Rockledge Drive NE, Keizer

City Attorney Shannon Johnson explained that the property was purchased prior to construction of the pathway over Labish ditch connecting the Gubser neighborhood with the Clearlake/Hidden Creek neighborhood with the intent of selling it upon completion of that project. He concluded that State Law requires a public hearing and corrected a few errors:

- Change $173,000 to $170,000 in the appraisal figure.
- Legal description would say "See Exhibit A, attached"
- Closing date: November 10, 2005
- Delete sentence in section 5 "In addition, Buyer shall…."
- Buyer has until October 25, 2005 to complete inspection
- Section 7 delete "Easement" and last sentence

Mr. Johnson then fielded questions from Councilors and additional discussion took place regarding the process which took place to accomplish this project and the benefits to the city.

Mayor Christopher opened the Public Hearing. With no one wishing to testify, Mayor Christopher closed the Public Hearing.

Councilor Walsh moved to adopt Resolution R2005 Authorizing the City Manager to Enter into a Transaction for the Sale of City Owned Property located at 1505 Rock Ledge Drive NE, Marion County, Keizer, Oregon to Amy Custer *as amended*. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

b. RESOLUTION ~ Forming Claggett Grove Street Lighting District

City Manager, Chris Eppley, provided a history of the formation of a Street Lighting Local Improvement District and noted that the Public Hearing was to consider remonstrances to the project and objections to proposed assessments. Staff recommendation is that City Council open a Public Hearing to consider oral objections and written remonstrances to the formation of Claggett Grove Street Lighting District and if there are no objections, close the public hearing and consider adoption of the resolution forming the district and the proposed assessment ordinance.

Mayor Christopher opened the Public Hearing. With no one wishing to testify, Mayor Christopher closed the Public Hearing.

Councilor Walsh moved to adopt Resolution R2005 Forming Claggett Grove Street Lighting District. Councilor Taylor seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

ORDINANCE ~ Spreading Assessments to Claggett Grove Street Lighting District

Councilor Walsh moved to adopt a Bill for an Ordinance Spreading Assessments to Claggett Grove Street Lighting District. Councilor Taylor seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

c. RESOLUTION ~ Forming Clearlake Meadows Street Lighting District

City Manager, Chris Eppley, provided a history of the formation of a Street Lighting Local Improvement District and noted that the Public Hearing was to consider remonstrances to the project and objections to proposed assessments. Staff recommendation is that City Council open a Public Hearing to consider oral objections and written remonstrances to the formation of Clearlake Meadows Street Lighting District and if there are no objections, close the public hearing and consider adoption of the resolution forming the district and the proposed assessment ordinance.

Mayor Christopher opened the Public Hearing. With no one wishing to testify, Mayor Christopher closed the Public Hearing.

Councilor Walsh moved to adopt Resolution R2005 Forming Clearlake Meadows Street Lighting District. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

ORDINANCE ~ Spreading Assessments to Clearlake Meadows Street Lighting District

Councilor Walsh moved to adopt a Bill for an Ordinance Spreading Assessments to Clearlake Meadows Street Lighting District. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

OTHER BUSINESS
a. New Business
b. Old Business

Police Chief Mark Adams reported that the PD had a booth at the St. Edwards Health Fair that was very successful and had a speaker in a booth at St. Joseph's Meth Awareness in Spanish program and representatives at the Gold's Gym birthday party as well. Blue prints came in for remodel, the air conditioner flooded again; recruitment process is down to 6 finalists.

Dianne Hunt, Human Resources Director, welcomed three new staff members: Paula Collins, part time receptionist; John Marker, Municipal Utility Worker I; and Sam Litke, Senior Planner. She thanked Patrick Johnson for photos of Keizer Station which are now posted on the city website. City staff is working on a "virtual tour" of City Hall and the Police Department so interested citizens can tour the facilities from their desktop.

Rob Kissler reported that the railroad concrete structure is in place and the track is back in place. He voiced optimism that that component of the project will be completed by the end of the week.

Nate Brown reported that three trees that were designated to be saved have been lost so the city is requiring that 8" caliper trees be planted at a ratio of 2 to 1.

City Attorney, Shannon Johnson, reported that the Charge/Trust for Public Lands transaction closed last week. He thanked the County for their assistance.

Youth Councilor A.J. Perez reported that McNary win-loss record is 3-1; the volleyball team and men's soccer team are undefeated. The girls' soccer is 1-1. No school on Thursday and Friday.

ADMINISTRATIVE ACTION
a. RESOLUTION ~ Bair Park Water Storage Tank Bid Award

Public Works Director, Rob Kissler, explained that the 2001 Water Master Plan calls for the construction of a 750,000 gallon water storage tank on city owned property adjacent to Bair Park in the Clearlake area. Two bids were received and the certified low bidder was Aquastore Northwest. Staff recommends council award the contract to Aquastore for a total cost of $518,800.00. He corrected an error in the staff report and Resolution changing $518,000 to $518,800. The current budget allocates $750,000 for this project which includes the tank, pump, pipe distribution system and electrical & telemetry system. Mr. Kissler explained the filtration system that will go on line along with the water tower adding that this will create a new pressure zone to aid in peak demand times. Trees have been surveyed so the tank can be worked in around the trees and there will be a planting to the south to assist in blending the tank in the area. Appropriate security measures are also being taken.

Councilor Walsh moved to adopt a Resolution Authorizing the City Manager to Award Bid for construction of Bair Park Water Storage Tank *as amended*. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

CONSENT CALENDAR

a. RESOLUTION – Disposition of Surplus Property

Councilor Walsh moved to approve the Consent Calendar. Councilor Moir seconded. Motion passed unanimously as follows:

AYES: Christopher, Walsh, Nichols, Moir, McKane and Taylor (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Lee (1)

WRITTEN COMMUNICATIONS

None

AGENDA INPUT

October 10, 2005
5:30 p.m. – City Council Work Session
- 2006 Bond Election – Civic Center

October 17, 2005
7:00 p.m. City Council Regular Session
November 7, 2005
7:00 p.m. City Council Regular Session
November 14, 2005
5:30 p.m. City Council Work Session

ADJOURNMENT

Mayor Christopher adjourned the meeting at 8:27 p.m.

APPROVED:

MAYOR:

Debbie Lockhart, Deputy City Recorder

Lore Christopher

COUNCIL MEMBERS

Councilor #1 – David McKane

Councilor #4 – Jacque Moir

Councilor #2 – Troy Nichols

Councilor #5 – Richard Walsh

~ Absent ~

Councilor #3 – Charles E. Lee

Councilor #6 – James Taylor

Minutes approved: