

AGENDA

Board of Directors
Mid-Willamette Valley Council of Governments
Tuesday, December 17, 2019
3:30 P.M. – 5:30 P.M.
COG Conference Room
100 High Street SE, Suite 200
Salem, Oregon

CONTACT: Sean O'Day, Executive Director; 503-540-1601
CHAIR: Cathy Clark, City of Keizer
VICE CHAIR: Jackie Franke, Chemeketa Community College

A. CALL TO ORDER – *Cathy Clark, Chair*

B. INTRODUCTIONS – *Cathy Clark, Chair*

C. PRESENTATION OF THE AUDIT – *Grove, Mueller & Swank*
Materials provided as separate documents.

D. CONSENT CALENDAR *(All items on the Consent Calendar will be approved by one vote unless an item is withdrawn for discussion at the request of a Board member. Members may have an item withdrawn by notifying the Chair at the meeting. The item will be removed by the Chair for discussion and a separate motion will be required to take action on the item in question.)*

- 1. Minutes of September 23, 2019 meeting of the Board of Directors** **pg. 3-7**
Requested Action: Approve minutes
- 2. Minutes of November 6, 2019 meeting of the Board of Directors** **pg. 8-11**
Requested Action: Approve minutes
- 3. Financial Report** **pg. 12-14**
Information only.
- 4. Department Activity Reports** **pg. 15-24**
Information only. Includes reports from the Community Development Department, Transportation Department, and Small Business Loan Program.
- 5. Adopt 2020 Meeting Schedule** **pg. 25**
Requested Action: Motion to Adopt the meeting schedule for the 2020 calendar year.
- 6. Election of Officers for 2020** **pg. 26**
Requested Action: Motion to Elect officers for the 2020 calendar year based upon the recommendations of the Executive Committee.

- 7. MWVCOG contract with engineering firm selected for Completion of Master Plan Engineering and Design Project Management (on behalf of Marion County and North Santiam Joint Sewer Task Group)** Requested Action: Motion to Authorize the Executive Director to sign a contract with the selected engineering firm for completion of the North Santiam Joint Sewer Master Plan Engineering and Design project. **pg. 27-57**
- 8. Approve Agreement with Facilitators for Goal Setting Services for Members** Requested Action: Motion to Authorize the Executive Director to sign a services agreement with facilitators to provide Goal Setting services for MWVCOG members. **pg. 58-63**

E. ACTION ITEMS

- 1. Adopt Member Dues/EDD Assessment FY 2020-21** Requested Action: Motion to Adopt Member Dues and EDD Assessment for FY 2020-21 **pg. 64-71**
- 2. Resolution 2019-10: Establish a Fund Balance Target FY 2020-21** Requested Action: Motion to Establish a Fund Balance Target for fiscal year 2020-21 **pg. 72-74**
- 3. Adopt Changes to COG Retirement Plan** Requested Action: Adopt changes recommended by the Executive Committee. **pg. 75-78**

F. EXECUTIVE DIRECTOR'S REPORT

- 1. Annual Dinner Planning Update**

G. BOARD DISCUSSION/ROUNDTABLE *(This is an opportunity for Board members to introduce subjects not on the agenda and report on happenings in their respective jurisdictions.)*

H. ADJOURNMENT

**NEXT MEETING: Annual Dinner
Wednesday, February 19, 2020
Keizer Community Center, 930 Chemawa Road, Keizer**

The Mid-Willamette Valley Council of Governments is pleased to comply with the Americans with Disabilities Act (ADA). If you need special accommodations to attend this meeting, please contact Denise VanDyke at (503) 588-6177 at least 48 hours prior to the meeting. Hearing impaired, please call Oregon Telecommunications Relay Service, 7-1-1. Thank you

MINUTES OF September 23, 2019

**MID-WILLAMETTE VALLEY
COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS**

**MWVCOG Conference Room
100 High Street SE, Suite 200
Salem, Oregon**

MEMBERS PRESENT

CHAIR: Mayor Cathy Clark, City of Keizer

VICE CHAIR: Jackie Franke, Member, Chemeketa Community College Board of Education

Commissioner Sam Brentano, Marion County

Mayor Rick Rogers, City of Newberg

Councilor Sally Cook for Mayor Chuck Bennett, City of Salem

Lisa Rogers, Board Member, Chehalem Park and Recreation District

Mayor Brian Dalton, City of Dallas

Mayor John McArdle, Independence, representing Small Cities of Polk County

Councilor Roxanne Beltz, City of Monmouth

Ian Davidson, Salem-Keizer Transit District Board

Mayor Eric Swenson, City of Woodburn

Commissioner Casey Kulla, Yamhill County

Frank W. Pender, Jr., Board Member, Willamette Education Service District

Lisa Leno, Tribal Council Member, Confederated Tribes of Grand Ronde

Councilor Sal Peralta, City of McMinnville (by phone)

Paul Kylo for Sherrone Blasi, Member, Salem-Keizer School District Board of Directors (by phone)

MEMBERS ABSENT

Mayor Shanti Platt, Gervais, representing Small Cities of Marion County

Commissioner Mike Ainsworth, Polk County

Mayor Michael Cape, Amity, representing Small Cities of Yamhill County

OTHERS PRESENT

Sean O'Day, Executive Director

Denise VanDyke, Admin. Specialist II

Greg Smith, Finance Director

Mike Jaffe, Transportation Director

Renata Wakeley, Community Development Director

Jan Calvin, Mid-Willamette Homeless Initiative contractor

Janet Carlson, Mid-Willamette Homeless Initiative contractor

Justin Martin, Perseverance Strategies

Jessica Howard, President, Chemeketa Community College

Allan Pollock, Salem-Keizer Transit District

Mayor Jim Trett, City of Detroit

CALL TO ORDER & INTRODUCTIONS

Chair Clark called the meeting to order at 3:31 p.m. The presence of a quorum was noted. General introductions were made around the room for the benefit of guests, new members, and those participating by phone. Ian Davidson, new representative for the Salem-Keizer Transit District, was welcomed.

PUBLIC COMMENT

None.

PRESENTATION – INTRODUCTION OF PRESIDENT JESSICA HOWARD, CHEMEKETA COMMUNITY COLLEGE

Dr. Howard introduced herself. She comes from elsewhere in the community college world. She was previously at the Portland Community College – 82nd and Division Campus. She provided additional details on her professional and academic background. Chemeketa Community College (CCC) is doing well. Dr. Howard was pleased to find the focus on students and their success. She reviewed the general services and campuses for CCC, which is attuned to and serving the region. It was noted that CCC is the only community college in Oregon that has made the short list for the Aspen Prize, which is an honor for which a school is selected, not one for which a school applies. CCC is also the first community college in Oregon to be designated a Latinx-serving Community College. It is also unusual to find a community college that has a peer reviewed press, much less one that designed low cost textbooks for their students. Dr. Howard outlined a few ways CCC is looking toward the future. Ms. Franke added that the CCC Board of Education is very excited to have Dr. Howard on board. In addition to being an accomplished musician (French horn), she has multiple degrees, including her most recent – an Associates degree she earned after starting to work in the community college system as a way to understand the experience of the other students.

PRESENTATION – LEGISLATIVE REPORT

Justin Martin, of Perseverance Strategies, mentioned that he also attended CCC prior to attending other universities, and his family recently established a scholarship at CCC for the welding program in memory of his father. Mr. Martin provided some background on his company and himself, as well as mentioning some of his other clients. He enjoys lobbying for organizations/cities/etc. that he believes in. The political climate for the upcoming short session is likely to be competitive at best and antagonistic at worst. We need to find a way to stand on both sides. A short session necessarily requires a narrow focus. Opportunities will be coming as there will be a fair amount of change over as legislators either can't or don't run for re-election. Mr. Martin and his staff will work with the COG staff regarding education for new legislators. He briefly reviewed issues from the last session and where things stand. An overview was provided in the agenda packet. He listed the top issues to work on, and referred to the detail provided in the agenda packet with the policies and priorities. Education is a vital element. Mr. O'Day and Mr. Martin will be meeting with local legislators in general, and with specific individuals regarding specific topics. He reiterated that the short session requires a sharp focus. We need to do the preparatory work in October and November for the January session. It is also important to remember to gather up the small wins – they add up to a foundation to build upon.

Chair Clark thanked Mr. Martin for the details provided. If the Board members have information to share, please let Mr. O'Day and Mr. Martin know. Commissioner Brentano reminded Mr. Martin that we must remain neutral on HB 2020. The main upcoming issue for Marion County will be the trash burner. There was consensus that this is a regional issue.

APPROVAL OF 2020 LEGISLATIVE CONCEPTS/POLICY

Chair Clark referred to page 55 in the agenda packet, where the staff memo and 2020 Legislative Concepts/Policy document begin. There are a total of eight topics identified as regionally important, and the list was discussed.

MOTION by Mayor McArdle, **SECONDED** by Councilor Beltz, to **APPROVE THE 2020 LEGISLATIVE CONCEPTS/POLICY AS PRESENTED.**

Discussion: Commissioner Brentano stated that he is uncomfortable with the wording on the item regarding the Detroit Reservoir.

Motion carried. **IN FAVOR:** Kulla, Dalton, Clark, Beltz, R. Rogers, Swenson, McArdle, L. Rogers, Franke, Leno, Pender, Davidson, Kylllo, Cook, Peralta, Brentano. **OPPOSED:** None. **ABSTAINED:** None.

CONSENT CALENDAR

MOTION: By Commissioner Ainsworth, **SECONDED** by Jackie Franke, to **APPROVE THE CONSENT CALENDAR, AS PRESENTED.**

1. *MINUTES OF JUNE 24, 2019 MEETING OF THE BOARD OF DIRECTORS*
2. *FINANCIAL REPORT*
3. *DEPARTMENT ACTIVITY REPORTS*
4. *CONTINUUM OF CARE MEMORANDUM OF AGREEMENT*
5. *AUTHORIZATION TO SIGN CONTRACTS/AGREEMENTS FOR THE SAFE ROUTE TO SCHOOL PROGRAM*

Discussion: None. Motion carried.

IN FAVOR: Kulla, Dalton, Clark, Beltz, R. Rogers, Swenson, McArdle, L. Rogers, Franke, Leno, Pender, Davidson, Kylllo, Cook, Peralta, Brentano. **OPPOSED:** None. **ABSTAINED:** None.

APPROVAL OF EXECUTIVE COMMITTEE RECOMMENDATION REGARDING VACATION CASH OUT

Mr. O'Day referenced the staff report memo in the agenda packet. The Executive Committee, at their last meeting, discussed the results of a compensation study of COG executive level positions. As a result of those discussions, the Executive Committee is recommending that the vacation cash out policy be put back into the Personnel Manual. This policy was removed with good intentions of encouraging staff to use their leave. However, the rate of accrual, especially by executive level staff, exceeds what can be efficiently used, so staff are reaching the accrual cap and losing this benefit. Reinstating the vacation cash out policy will also bring the COG more into alignment with the marketplace. Staff are not making the recommendation because of the conflict of interest if they were to do so. Financially, this would be a budget neutral move, as the funding for leave time is already included in the budget. Leave can only be cashed out once per year (per employee), they will only be able to cash out up to six months' worth of leave accrual, and the amount cashed out cannot exceed half of their accrued leave. Discussion ensued regarding possible options to consider and ways the system could be 'gamed'. Staff must be encouraged to take vacation time.

MOTION by Frank Pender, **SECONDED** by Jackie Franke, to **APPROVE AMENDING THE PERSONNEL MANUAL TO ADD THE RECOMMENDED PROVISION FOR VACATION CASH OUT, AS PRESENTED.** Motion carried. **IN FAVOR:** Kulla, Dalton, Clark, Beltz, R. Rogers, Swenson, McArdle, L. Rogers, Franke, Leno, Pender, Davidson, Kylllo, Cook, Peralta, Brentano. **OPPOSED:** None. **ABSTAINED:** None.

EXECUTIVE DIRECTOR'S REPORT

Mr. O'Day stated that he hopes that his monthly emails to the Board are useful.

The audit is nearly wrapped up, and a report will be presented at the December meeting.

The Annual Dinner Planning Committee will meet Monday, September 30th at 4 p.m.

The remodel is getting closer to being finished. We hope to be able to hold tours by the December meeting.

BOARD DISCUSSION/ROUNDTABLE

Mayor Dalton mentioned the League of Oregon Cities conference coming up in Bend.

Councilor Beltz reported that the Monmouth City Manager has taken a position in Canby. The City is negotiating with a possible interim manager.

Mayor Rogers mentioned that Newberg has an Interim City Manager, David Clyne, who is doing well. The City has a slightly used mill site for sale. Please send potential buyers to the City.

Mr. Davidson announced that the Transit District has started Saturday and later-evening service. Sunday and holiday service will be coming, hopefully, next year. In November, Cherriots will celebrate 40 years of service.

Commissioner Kulla reported that Yamhill County has a new public works director who began today.

Ms. Rogers said that the Chehalem Park and Recreation District is working on connecting pedestrian travel to and from Newberg and Dundee.

Mr. Pender reported that the SW Polk County Rural Fire District is working with other Rural Fire Districts and may be looking to combine their services. Willamette ESD has a new building on Portland Road. He is glad to see the homeless issue moving forward.

Ms. Calvin reported on the Build for Zero project – Kaiser Permanente has sponsored local individuals working on the homelessness issue to attend a training about chronic homelessness. This is a \$10,000 sponsorship, and Kaiser Permanente approached the Homeless Initiative to identify people to attend the training. Mayor Clark added that the first meeting of the new Development Council will be September 24th at 3 p.m. in the COG conference room.

Mayor Swenson invited everyone to come to downtown Woodburn. The downtown updates are done and the City wants to show off the results.

Mayor McArdle reported the new hotel's soft opening has occurred. The full opening will be on October 10th. More downtown development has begun or will soon start.

Ms. Franke mentioned that today was the first day of Fall Term at Chemeketa Community College, so there is a lot of activity.

Mayor Clark reported that In and Out will open in December. Keizer is wrapping up their various studies involved in updating their Comprehensive Plan, mainly looking at what to do with the land available.

Commissioner Brentano predicted that the Donald interchange will happen, faster than other similar projects. There have been 12 deaths in that area this calendar year.

Councilor Leno mentioned that the Tribe has a lot of new housing coming online, much of it being market or low income elder housing. Homelessness is also an important topic for the Tribe.

Councilor Cook reported that the Out Salem process is moving along.

Mayor Dalton stated that Dallas' new City Manager, Brian Latta, has started and appears to be a good fit.

Mayor Rogers mentioned that George Fox enrollment is up slightly, and has a new Physician's Assistant training building.

Councilor Peralta brought up the airshow this past weekend. There were some livestock issues, however. Construction on the three-mile bridge project is to start in 2021. A temporary bridge will be constructed, the permanent bridge work completed, then the temporary bridge will be removed. This is to minimize disruption of traffic. McMinnville is doing land inventory, much like Keizer. The McMinnville City Recorder has taken a job in Canby.

Mr. Kylo reported that the School Board is happy about receiving the Safe Routes to School grant, and have also approved their Continuum of Care agreement.

ADJOURNMENT

Hearing no further business, Chair Clark adjourned the meeting at 4:44 p.m.

Sean O'Day, Executive Director

MINUTES OF November 6, 2019

**MID-WILLAMETTE VALLEY
COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS**

**MWVCOG Conference Room
100 High Street SE, Suite 200
Salem, Oregon**

MEMBERS PRESENT

CHAIR: Mayor Cathy Clark, City of Keizer

VICE CHAIR: Jackie Franke, Member, Chemeketa Community College Board of Education

Commissioner Sam Brentano, Marion County

Mayor Chuck Bennett, City of Salem

Mayor Brian Dalton, City of Dallas

Ian Davidson, Salem-Keizer Transit District Board

Frank W. Pender, Jr., Board Member, Willamette Education Service District

Mayor Shanti Platt, Gervais, representing Small Cities of Marion County

Lisa Leno, Tribal Council Member, Confederated Tribes of Grand Ronde (by phone)

Councilor Sal Peralta, City of McMinnville (by phone)

Commissioner Casey Kulla, Yamhill County (by phone)

Commissioner Mike Ainsworth, Polk County (by phone)

Mayor Michael Cape, Amity, representing Small Cities of Yamhill County (by phone)

Mayor Rick Rogers, City of Newberg (by phone)

Lisa Rogers, Board Member, Chehalem Park and Recreation District (by phone)

Mayor John McArdle, Independence, representing Small Cities of Polk County (by phone)

MEMBERS ABSENT

Sherrone Blasi, Member, Salem-Keizer School District Board of Directors

Councilor Roxanne Beltz, City of Monmouth

Mayor Eric Swenson, City of Woodburn

OTHERS PRESENT

Sean O'Day, Executive Director

Denise VanDyke, Admin. Specialist II

Greg Smith, Finance Director

Mike Jaffe, Transportation Director

Renata Wakeley, Community Development Director

John Safstrom, Loan Program Manager

Jan Calvin, Mid-Willamette Homeless Initiative contractor

Janet Carlson, Mid-Willamette Homeless Initiative contractor (by phone)

Commissioner Lyle Mordhorst, Polk County

CALL TO ORDER & INTRODUCTIONS

Chair Clark called the meeting to order at 12:01 p.m. The presence of a quorum was noted. General introductions were made around the room for the benefit of guests, new members, and those participating by phone.

PUBLIC COMMENT

None.

APPROVAL OF REQUEST TO SERVE AS THE HOST AGENCY FOR THE MID-WILLAMETTE VALLEY HOMELESS ALLIANCE AND COLLABORATIVE APPLICANT FOR HOMELESS PROGRAM FUNDING

Mr. O'Day provided background related to the Mid-Willamette Homeless Initiative (MWHI), the Continuum of Care (CoC) formation reasons and process, and how MWHI has become the newly formed Mid-Willamette Valley Homeless Alliance (MWVHA). The MWHI has been financially supported by the participating jurisdictions. Currently, the transition process is underway for formation – or re-formation – of the CoC. The COG currently provides a 'home', minimal support staff time, and financial services to MWHI/MWVHA. If MWVHA forms an ORS 190 entity, the COG can serve as a services contractor with MWVHA.

Ms. Calvin referred to the FAQ provided in the agenda packet, beginning on page 4. Ms. Carlson explained that the US Department of Housing and Urban Development (HUD) requires a collaborative applicant before a CoC can be approved. The application packet is due by the end of the year to HUD. The collaborative applicant serves as a hub for the stakeholders (service providers) to receive funds. The responsibilities of the collaborative applicant are listed on page 4, item 2a. The responsibilities and tasks listed in item 2b(i) and 2b(ii) would be handled by the Mid-Willamette Valley Community Action Agency (MWVCAA). Item 2b(iii) lists responsibilities and tasks for the collaboration committee, which is separate from the collaborative applicant. It is anticipated that up to three staff positions would be needed, and we propose to utilize contractors for the first year and hire employees as funding allows. They agree with the recommendation to form an ORS 190 entity to allow for proper contracting with the COG.

Mr. O'Day elaborated on the recommendation for moving forward. If the MWVHA does not become a department of the COG, there is no way to cover administrative expenses from non-indirect rate sources. The indirect rate is based on the Full Time Equivalent (FTE) in each department. While the administrative expenses could be covered using member dollars, that is not recommended. If MWVHA forms an ORS 190 entity, the COG could be a contractor of theirs, which would cover the resulting expenses.

Mayor Clark stated that, although it sounds complicated, this route makes the process really clean and keeps the relationship between the entities transparent.

Mayor Dalton, admittedly playing devil's advocate, declared that, while he is a great believer in the COG, he is concerned with the ability to handle the additional work in the long term without diminishing time serving members' needs. It should be kept clear that the COG will only be providing administrative support and not becoming a service provider, and must maintain the expected level of service in other areas. Others echoed these sentiments.

Mr. Davidson asked for clarification of the five-year commitment mentioned in the narrative. Ms. Carlson explained that the first two years of the five years has been covered with a Memorandum of Agreement. The remaining three years will be addressed in the formation of the ORS 190 entity. The MWVHA Development Council is required to form a five-year budget to ensure viability. Stakeholders (nonprofits who provide services) are signing on to participate on the collaboration committee. Once the CoC is up and running, it should be financially successful. Ms. Calvin added that MWVHA has letter of support from the stakeholders, who will be participating in the collaboration committee. That committee will provide input to the Development Council. There are, also, three nonprofits represented on the Development Council.

Mayor Rogers asked for clarification regarding Yamhill County and/or cities in Yamhill County joining. Ms. Calvin explained that the MWVHA is currently only covering Marion and Polk counties. It is understood that Yamhill County is considering their position. Once the CoC is established and Yamhill County expresses interest in joining, we would look at common interests and our capacity to serve three counties at that time. Ms. Carlson added that “participants” means those jurisdictions and organizations that have signed onto the Memorandum of Agreement.

It was clarified that the staffing from the COG would be coordination to oversee the programs. It would be the services COG currently provides, but with full compensation for the administrative expenses. Currently only a few hours per month of staff time are allotted towards the MWVHA program. Going forward, it is anticipated that support staff time and Mr. O’Day’s time would be about the same, but the finance department could see an increase in staff time needed. While the specifics are unknown at this time, COG Finance Director Greg Smith surmised that the reporting requirements would be similar to those for other federally funded programs currently in place. Ms. Carlson clarified that reporting would only be needed on grant funds received by the CoC, not funds that would go to the service providers.

Commissioner Kulla reported that no progress has been made at this time in discussions about potentially joining the CoC.

MOTION by John McArdle, **SECONDED** by Frank Pender, to **APPROVE THAT COG SERVE IN THE ROLE OF COLLABORATIVE APPLICANT TO THE MID-WILLAMETTE VALLEY HOMELESS ALLIANCE ON THE CONDITION THAT, IF SUCCESSFUL, THE PARTICIPATING PARTIES DEVELOP AN INTERGOVERNMENTAL ENTITY THAT WILL ASSUME THE COLLABORATIVE APPLICANT RESPONSIBILITIES, AS PRESENTED.** Motion carried. **IN FAVOR:** Brentano, Ainsworth, Kulla, Dalton, Clark, Peralta, R. Rogers, Bennett, Platt, McArdle, Cape, L. Rogers, Franke, Davidson, Pender, Leno. **OPPOSED:** None. **ABSTAINED:** None.

APPROVAL OF AN AGREEMENT TO PROVIDE FINANCIAL SERVICES TO SEDCOR

Mr. O’Day was approached by the Executive Director of SEDCOR, as they had a staff member retiring and wanted to ask if the COG could provide financial services. COG staff should be able to handle this task, and providing these services would promote regional good faith. The COG would be fully compensated for costs. Staff recommends approval.

MOTION by Frank Pender, **SECONDED** by Shanti Platt, to **AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN AN AGREEMENT TO PROVIDE SEDCOR WITH FINANCIAL SERVICES ON A FEE-FOR-SERVICE BASIS, AS PRESENTED.** Motion carried. **IN FAVOR:** Brentano, Ainsworth, Kulla, Dalton, Clark, Peralta, R. Rogers, Bennett, Platt, McArdle, Cape, L. Rogers, Franke, Davidson, Pender, Leno. **OPPOSED:** None. **ABSTAINED:** None.

APPROVAL OF AN AGREEMENT TO OFFER SBA 7A LOAN PROGRAM SERVICES

Mr. Safstrom provided some background. The Community Reinvestment Fund (CRF) approached COG staff about providing SBA 7a services in the region. For this program, staff would function as a referral source for loans that do not qualify for traditional banks. There are various reasons why a loan might not qualify, which can include simple reasons like being located in a rural location and applying to banks that prefer to only work in urban locations. COG staff would serve as an interface between borrowers and CRF and this would fill a gap in unusual situations. This program would provide compensation for the loan program with minimal staff effort. If successful, COG would receive a referral fee for each loan funded. Also, this would be unrestricted income. Mr. Safstrom explained the marketing portion of the 7a

program. Most referrals to the COG loan program come from banks, as well as lawyers and real estate brokers. Commissioner Brentano spoke to the history of the COG loan program serving as a last chance for some borrowers.

MOTION by Sam Brentano, **SECONDED** by Chuck Bennett, to **AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN AN AGREEMENT WITH THE COMMUNITY REINVESTMENT FUND TO OFFER THEIR SBA 7A LOAN PROGRAM THROUGH A REFERRAL AGREEMENT WITH THE COG, AS PRESENTED.** Motion carried. **IN FAVOR:** Brentano, Ainsworth, Kulla, Dalton, Clark, Peralta, R. Rogers, Bennett, Platt, McArdle, Cape, L. Rogers, Franke, Davidson, Pender, Leno. **OPPOSED:** None. **ABSTAINED:** None.

ADJOURNMENT

Hearing no further business, Chair Clark adjourned the meeting at 12:54 p.m.

Sean O'Day, Executive Director



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: December 17, 2019

THRU: Sean O'Day
Executive Director

FROM: Greg Smith
Finance Director

SUBJECT: Financial Report Thru November 30, 2019

While continuing to focus on *Results from Operations*, the financial report format for this year includes an additional section titled RLF Funds. This section separates out the RLF Funds component from the Business Lending component in order to provide better clarity into the operational cost of the Business Lending Services program. *Other Resources* and *Other Requirements*, while important to show the overall health of programs, tend to have a distorting effect when discerning if we are living within our means and will be shown below the *Results from Operations* line.

Member Services

The Member Services Program is funded primarily by membership dues and is frequently referred to as the general fund. As indicated, we have received 121.7% of the anticipated current year revenue and all members have paid their dues for FY 2019-20. The beginning fund balance (carry forward) is \$88,245 higher than we anticipated in the budgeting process. Overall, current year expenses are running ahead of budget (49.5%) based on the percentage of the fiscal year that has elapsed.

Administrative Services

Administrative Services is funded through indirect charges to agency programs (charged as a percentage of personal services) and supports the traditional management and support functions necessary for the operation of the COG. While revenue is lower than anticipated at 39.1%, total expenses are on track at 42.3%.

Transportation Program

Both revenues and expenditures in this program are running below budget (30.8% and 32.4% respectively). Revenue in this area is on a reimbursement basis and, therefore, is a month behind expenditures.

GIS Program

Both revenues and expenditures in the GIS program are running ahead of budget (58.0% and 76.9% respectively). This is primarily due to a greater than anticipated workload for this time of year. Revenue in this area is on a reimbursement basis and, therefore, is a month behind expenditures as well.

Land Use Planning

Land use planning revenues are running slightly behind budget at 38.0%. Expenditures are slightly above budget at 43.9%. Again, revenue tends to lag a month (or more depending on the project) behind expenditures.

Grant Administration

Revenue is a bit sporadic in the Grant Administration program. Billings are typically sent out upon achieving milestones in the various projects. Since many projects exceed a year, we can go for months before being able to bill for a milestone. As of the end of November, we have received 19.9% of budgeted revenue. Overall expenditures are below budget at 25.6%.

Housing Rehab Program

Housing Rehab Program revenues are at 33.2% of budget. This is another program where revenues lag at least a month or more behind expenditures, and in the case of CDBG grants, are milestone based. Overall expenditures are 33.5% of budget.

Economic Development Services

Programs in this area are designed primarily to stimulate economic growth in our service area. Revenues are at 27.1% and expenditures are at 17.9%. The carry forward in this area is \$25,041 below what was anticipated in the budgeting process.

Business Lending Services

Operational expenses for the loan program are running at 36.5% of budget. Revenues are behind at 37.2% of budget. The loan program continues to be in a rebuilding phase after the loss of servicing revenue due to the cancellation of contracts with Cascades West Financial Services and Oregon Business Development Corporation.

RLF Fund

Revenues into the RLF Fund are below budget at 30.7% at this point in the year. Carryover for the fund is \$50,348 above what was anticipated in the budgeting process.

Mid-Willamette Valley Council of Governments
FY 2019-20 Summary Financial Report
For Five Months Ending 11/30/19 (42% of Fiscal Year)

	Member Services			Administrative Services			Transportation Pgms			GIS Programs			Business Lending			RLF Fund		
	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%
Resources																		
Federal	-	-		-	-		1,299,911	337,289	25.9%	-	-		-	-		-	-	
State	-	-		-	-		115,245	54,399	47.2%	174	-	0.0%	9,600	-	0.0%	-	-	
Local	299,799	364,878	121.7%	459,974	180,071	39.1%	77,988	67,988	87.2%	39,990	23,281	58.2%	303,399	116,477	38.4%	258,039	79,265	30.7%
Total Revenues	299,799	364,878	121.7%	459,974	180,071	39.1%	1,493,144	459,676	30.8%	40,164	23,281	58.0%	312,999	116,477	37.2%	258,039	79,265	30.7%
Requirements																		
Personal Services	(110,746)	(61,581)	55.6%	(369,171)	(145,105)	39.3%	(919,948)	(330,483)	35.9%	(25,175)	(20,986)	83.4%	(331,724)	(120,245)	36.2%	-	-	
Indirect	(26,246)	(14,595)	55.6%	-	-		(218,027)	(78,325)	35.9%	(5,966)	(4,974)	83.4%	(78,618)	(28,498)	36.2%	-	-	
Materials & Services	(152,572)	(67,045)	43.9%	(90,803)	(49,599)	54.6%	(360,570)	(77,397)	21.5%	(9,023)	(4,907)	54.4%	(38,546)	(15,004)	38.9%	-	-	
Total Operational Costs	(289,564)	(143,221)	49.5%	(459,974)	(194,704)	42.3%	(1,498,545)	(486,205)	32.4%	(40,164)	(30,867)	76.9%	(448,888)	(163,747)	36.5%	-	-	
Results from Operations	10,235	221,657		-	(14,633)		(5,401)	(26,529)		-	(7,586)		(135,889)	(47,270)		258,039	79,265	
Other Resources																		
Transfers	9,540	-	0.0%	-	-		62,800	2,230	3.6%	-	-		135,889	-	0.0%	-	-	
Designated Reserves	105,733	69,626	65.9%	-	-		145,206	147,692	101.7%	-	-		-	-		2,018,725	2,069,073	102.5%
Undesignated Reserves	201,103	289,348	143.9%	-	-		-	-		-	-		-	-		-	-	
Other Requirements																		
Grants & Loans	-	-		-	-		-	-		-	-		-	-		(455,000)	(32,000)	7.0%
Capital Outlay	(41,300)	(22,950)	55.6%	-	-		-	-		-	-		-	-		-	-	
Transfers	(17,197)	-	0.0%	-	-		(62,800)	(2,230)	3.6%	-	-		-	-		(135,889)	-	0.0%
Designated Reserves	(30,248)	-	0.0%	-	-		(139,805)	-	0.0%	-	-		-	-		(1,685,875)	-	0.0%
Undesignated Reserves	(237,866)	-	0.0%	-	-		-	-		-	-		-	-		-	-	
Balance	-	557,681		-	(14,633)		-	121,163		-	(7,586)		-	(47,270)		-	2,116,338	

	Land Use Planning			Grant Administration			Housing Rehab Program			Economic Development			Overall Summary		
	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%
Resources															
Federal	-	-		-	-		-	-		75,000	18,750	25.0%	1,374,911	356,039	25.9%
State	-	-		-	-		-	-		46,500	-	0.0%	171,519	54,399	31.7%
Local	387,414	147,374	38.0%	103,300	20,570	19.9%	101,368	33,698	33.2%	262,012	85,198	32.5%	1,833,309	938,729	51.2%
Total Revenues	387,414	147,374	38.0%	103,300	20,570	19.9%	101,368	33,698	33.2%	383,512	103,948	27.1%	3,379,739	1,349,167	39.9%
Requirements															
Personal Services	(289,991)	(132,478)	45.7%	(73,614)	(20,581)	28.0%	(60,925)	(25,169)	41.3%	(128,707)	(48,269)	37.5%	(1,940,830)	(759,792)	39.1%
Indirect	(68,728)	(31,397)	45.7%	(17,446)	(4,878)	28.0%	(14,440)	(5,965)	41.3%	(30,503)	(11,440)	37.5%	(459,974)	(180,072)	39.1%
Materials & Services	(43,639)	(12,842)	29.4%	(16,985)	(2,179)	12.8%	(26,003)	(2,844)	10.9%	(257,501)	(14,730)	5.7%	(904,839)	(196,948)	21.8%
Total Operational Costs	(402,358)	(176,717)	43.9%	(108,045)	(27,638)	25.6%	(101,368)	(33,978)	33.5%	(416,711)	(74,439)	17.9%	(3,305,643)	(1,136,812)	34.4%
Results from Operations	(14,944)	(29,343)		(4,745)	(7,068)		-	(280)		(33,199)	29,509		74,096	212,355	
Other Resources															
Transfers	14,944	-	0.0%	2,225	-	0.0%	-	-		65,488	18,290	27.9%	290,886	20,520	7.1%
Designated Reserves	-	-		2,520	-	0.0%	-	-		90,845	65,804	72.4%	2,363,029	2,352,195	99.5%
Undesignated Reserves	-	-		-	-		-	-		-	-		201,103	289,348	143.9%
Other Requirements															
Grants & Loans	-	-		-	-		-	-		-	-		(455,000)	(32,000)	7.0%
Capital Outlay	-	-		-	-		-	-		-	-		(41,300)	(22,950)	55.6%
Transfers	-	-		-	-		-	-		(75,000)	(18,290)	24.4%	(290,886)	(20,520)	7.1%
Designated Reserves	-	-		-	-		-	-		(48,134)	-	0.0%	(1,904,062)	-	0.0%
Undesignated Reserves	-	-		-	-		-	-		-	-		(237,866)	-	0.0%
Balance	-	(29,343)		-	(7,068)		-	(280)		-	95,313		-	2,798,948	



MEMORANDUM

TO: **Board of Directors**
Mid-Willamette Valley Council of Governments

DATE: December 17, 2019

THRU: **Sean O'Day**
Executive Director

FROM: **Renata Wakeley**
Community Development Director

SUBJECT: Community Development Update

The following summary highlights new and continuing Community Development activities completed by COG staff over the past three (3) months:

Economic Development

The **EDA** recently announced the broadening of eligible communities for EDA funds to include the eight (8) communities containing **Opportunity Zones** in our region and staff has contacted each community regarding the extended eligibility.

COG completed the Request for Qualifications (RFQ) for the North Santiam Wastewater Treatment Facilities Master Plan project engineer, as recommended by the **North Santiam Canyon Joint Task Group**. Next steps include COG entering into a new IGA with Marion County for project management and execution of the engineering contract, on behalf of the **North Santiam Canyon Joint Task Group** and **Marion County**.

Staff continues to support **Silverton** with a \$1.15 million **Public Works** grant award from the **Economic Development Administration (EDA)** related to needed water improvements/upgrades to serve their industrial park. The City recently completed the RFQ for final engineering and construction management for the project and is negotiating the final engineer contract.

Land Use Planning

Our planners continue to support communities through draft code amendments, zone and comprehensive plan map updates, and new overlay zones and design standards in addition to a large number of new development and subdivision applications in the area.

We are supporting **Aumsville** and **Turner** on discussions related to potential UGB expansion projects and are pleased to report that the City of **Willamina** received a grant from the **Yamhill County** economic development grant program to update their development code, including new design standards for their commercial zone and to create a new zone for their community campus.

Bill Monahan, MWVCOG General Counsel, will be leading an evening **Planning Commissioner Training** at the COG offices on January 29, 2020. The training is part of a two-day Planner and Planning Commissioner training/work session hosted by COG, in partnership with the Department of Land Conservation and Development (DLCD) and the Oregon Chapter of the American Planning Association (OAPA).

Grant Administration

COG staff assisted the city of **Woodburn** with submission of a \$1.5 million CDBG application for a Family Resource Center by the September 2019 application deadline and has initiated application assistance to the city of **Sheridan** on a \$3.88 million Clean Water Services Revolving Loan fund to the Department of Environmental Quality. Staff also assisted the city of **Willamina** with the successful application of a new Community Development Block Grant (CDBG) award for \$495,900 to relocate their water intake.

Staff has finalized property acquisition assistance on behalf of the city of **Detroit** related to their Safe Drinking Water Revolving Loan fund water improvements project. We also continue to assist **Amity** with their water improvements project; the city of **Dayton** on their Davis-Bacon wage monitoring requirements related to a Clean Water State Revolving Fund (CWSRF); the city of **Idanha** with a \$1.7 million CDBG grant for water improvements; and the city of **Falls City** with a \$350,000 Community Development Block Grant (CDBG) to aid in final design engineering related to a future wastewater improvements project.

Housing Rehabilitation

COG has expended approximately 45% of the **Stayton** \$400,000 CDBG award to service eligible persons in manufactured home parks or persons ineligible under current housing rehabilitation program rules. The project, in partnership with **Aumsville**, **Marion County**, **Mt. Angel**, and **Turner**, is estimated to serve over thirty (30) area residents with maintenance and repair of their homes. To date we have completed assistance to ten (10) clients in **Stayton**, four (4) clients in **Mt. Angel**, three (3) clients in **Marion County**, and six (6) clients in **Aumsville**. Recently, the program partners agreed to expand the eligible service area to include eligible persons in the City of **Sublimity**.

Staff is also assisting property owners with VDI housing rehabilitation funds in **Gates**, **Jefferson**, **Woodburn**, unincorporated **Marion County**, and a city-maintained loan in **Silverton**.



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: December 17, 2019

THRU: Sean O'Day
Executive Director

FROM: Mike Jaffe
Transportation Program Director

SUBJECT: Transportation Program Update

Mid-Willamette Area Commission on Transportation (MWACT)

MWACT members honored former, and founding member, Marcia Kelley, for her years of service on the commission. Ms. Kelley was one of the original Mid-Willamette Valley Blue Ribbon Committee members that assisted with the creation of an area stakeholder group. In 1996, the Blue Ribbon Committee members recommended that the Oregon Transportation Commission (OTC) establish a group for the Marion, Polk, and Yamhill County area to advise OTC members regarding regional transportation priorities and issues. This group would be known as the Mid-Willamette Area Commission on Transportation (MWACT).

Chair Ken Woods, Jr., reminded everyone that Ms. Kelley was a founding member of MWACT and served as a representative and advocate for not only transit issues but also for alternative travel modes. Her ability to appreciate local and regional issues has been a cohesive factor in developing a functioning regional commission. He presented Ms. Kelley with a plaque recognizing her dedicated service.

Every two years, MWACT members are required to provide the OTC a biennial report on their activities. On November 21, five MWACT members led by Chair Ken Woods, Jr., joined OTC members at Spirit Mountain Conference Center in Grand Ronde to review the report, plus a letter from MWACT reiterating their support for finding additional funds for Phase 2 and 3 of the Newberg-Dundee bypass project, and a MWACT letter that listed the high priority transportation projects in the MWACT region. Chair Ken Woods reported to the OTC that according to Census data, three of the top 10 fastest growing cities in the state since 2010 are in the MWACT area: Independence, Dallas, and Silverton. Commissioner Sam Brentano voiced his support for several projects (Newberg-Dundee bypass, I-5 interchange at Donald) as well as concern about an increase in fatal crashes on Highway 219 between St. Paul and Newberg.

James Feldman, ODOT, provided the Oregon Department of Administrative Services (ODAS)-required training related to discrimination and harassment. He also led the information security training. This training is required annually for all employees, board and commission members, elected officials, volunteers, interns, and prospective employees.

Salem Keizer Area Transportation Study (SKATS)

FY 2018-2023 Transportation Improvement Program (TIP) Amendments

During their October meeting, the SKATS Policy Committee approved **Resolution 19-15** to remove the **Marine Dr.:** Glen Creek Rd. to Cameo St. (Salem) from the SKATS 2018-2023 Transportation Improvement Program (TIP). Removing the project does not mean that it is canceled. As there are no construction funds identified during the timeframe of the TIP, it needs to be removed from the adopted TIP. Policy Committee members also approved **Resolution 19-16** to amend the current TIP to add funds to the **Salem Industrial Dr.** NE Rail Crossing project to cover items not originally included in the project scope.

During their November meeting, the SKATS Policy Committee amended the FY 2018-2023 TIP to add funds to the following three projects that need additional funds: **Hayesville Dr.:** NE Portland Rd. - Fuhrer St., **Center St.:** Lancaster Dr. to 45th Pl. NE, and **River Rd.:** Shangri-La Ave. to Wheatland Rd. They also adopted a resolution to add funds to the preliminary engineering phase of **Verda Ln.:** Dearborn Ave. to the Salem Parkway project. For the four projects, about \$2.2 million dollars of additional federal funds were added to make these projects financially complete.

Earlier in the quarter, the SKATS Policy Committee considered policy options in cases when additional funds are requested for projects previously included in the TIP. Options for local match rates included: deciding local match rates on a case-by-case basis; presetting the percentage of required local match; decide local match rate required based on a formula to be developed; or basing match amounts on a few select criteria such as ability to pay, available funds, and overall cost. The Policy Committee consensus was that project shortfalls should be funded, if funding is available, with local match amounts determined on a case-by-case basis. Local governments/agencies should be encouraged to provide the most local funds they can afford.

FY 2021-2026 Transportation Improvement Program (TIP) Development

SKATS continued to develop the FY 2021-2026 TIP. In June, the local jurisdictions submitted fourteen applications for projects for consideration. Following the initial review by the SKATS Technical Advisory Committee (TAC), eight construction projects were referred to ODOT staff for scoping. Project sponsors provided the SKATS Policy Committee with presentations related to each of the projects' applications. TAC members then drafted an initial prioritized list and developed two potential project funding scenarios for the Policy Committee's review and discussion. Based on this information, the SKATS Policy Committee developed a new funding scenario that continued three programs (Transportation Options, the Regional Traffic Signal Control Center, and MPO support), includes funding for three buses in 2024 and two buses in 2026, reduces the funds requested by the city of Salem for the McGilchrist project to 80 percent of the full request, added the Orchard Heights project, and accepted funding proposed for the remainder of the proposed new projects.¹ In total, these new projects and continuing programs in the TIP total over \$36.6 million in federal transportation funds for the years 2021 to 2026. COG staff are currently developing the draft 2021-2026 TIP for final public review and comment.

Safe Routes to School (SRTS) Coordinator Update

In September, ODOT informed MWVCOG that it will receive a three year grant for starting a Safe Route to School program. COG staff is working with the Salem-Keizer School District staff, and prospective candidates for a Safe Routes to School coordinator position are scheduled for interviews in mid-December.

¹ See the attached Funding Table showing the continuing programs and new projects proposed for funding in the draft 2021-2026 TIP. The table does not include projects previously approved for funding as part of the FY 2018-2021 TIP that will carry forward to the new FY 2021-2026 TIP.

Interagency Assistance for “Our Salem” Project

COG transportation staff coordinate with and assist other agencies on transportation issues throughout the year. COG staff provided considerable staff time during the consultant selection process for the city’s **Our Salem** project and has also provided staff to be on the Our Salem Technical Advisory Committee. In November, Salem staff requested additional support with transportation modeling for **Our Salem** (see *attached* letter from Steve Power, Salem City Manager). This transportation modeling work will occur in January and February of 2020.

Oregon Metropolitan Planning Organizations Consortium (OMPOC)

OMPOC met in Grants Pass in October and members continued discussion of an OMPOC Transportation Summit, to be held in the fall of 2020 (after the November elections). The theme of the proposed full-day conference would be “Transportation at a Crossroads – How Transportation is Changing.” Proposed topics for the summit include: Creating a Culture of Equity, Impacts of Transportation on Housing and Affordability, and the Impact of Shared Mobility and Transportation Network Companies.

Governor Brown’s letter to State Agencies on Reducing Greenhouse Gas Emissions

On September 23rd, Governor Kate Brown wrote a letter (*attached*) to the Oregon Transportation Commission (OTC), the Land Conservation and Development Commission (LCDC), the Oregon Department of Energy (ODE), and the Department of Environmental Quality (DEQ) **urging the commissions and department to implement the Statewide Transportation Strategy (STS) for reducing greenhouse gases**. The directors of the four agencies met in November, and the commission chairs will be meeting in the next month to discuss the Governor’s letter. Page 2 of the Governor’s letter proposes specific actions for the state commissions / departments that would impact jurisdictions that are part of Metropolitan Planning Organizations (MPO).² At their September meeting, SKATS Policy Committee members discussed the letter, the STS, and related issues such as putting more emphasis on electric vehicles.

Census and Geographic Information Systems (GIS)

Tasks accomplished by COG staff this quarter included:

- Completion and distribution of the third quarter building permit report for the **Salem-Keizer area** (posted on MWVCOG website).
- Completion of the zoning map update for **city of Sheridan**.
- Completion of the inventory of sidewalks on collectors and arterials in greater **Salem-Keizer area**.
- Completion of a marijuana buffer map for **city of Amity**.
- Provided GIS support to the **city of Keizer** for their Americans with Disabilities Act (ADA) Transition Plan including an inventory of sidewalks and curb ramps.
- Updated Carlton’s parks map for the **Carlton Parks Plan**.

² This issue was also raised at the October OMPOC meeting. OMPOC members expressed concern as MPOs (with the exception of Portland Metro) have no land use authority, which would be needed to meet the proposed integration of land use and transportation planning to reduce greenhouse gases.

				FY 2021-2024 "New" TIP					2025-2026 Illustrative		FY 2021-2026
	Fiscal Year -->	KN	Fund	2021	2022	2023	2024	TOTAL FY 21-24	2025	2026	TOTAL FY 21-26
Jurisdiction	Existing Programs	KN	Fund	Existing programs inflated by approximately 3.1% per year							
Transit	Transportation Options (TDM/Rideshare)	Varies	CMAQ	\$ 497,000	\$ -	\$ 528,000		\$ 1,025,000	\$ 560,000		\$ 1,585,000
Region	Regional Traffic Signal Control	Varies	STP	\$ 587,000		\$ 624,000		\$ 1,211,000	\$ 663,000		\$ 1,874,000
Region	MPO Support	Varies	STP	\$ 570,000	\$ 629,000	\$ 667,000	\$ 700,000	\$ 2,566,000	\$ 735,000	\$ 770,000	\$ 4,071,000
Jurisdiction	Projects	KN	Fund								
Keizer	Verda Lane Bike/Ped improvements	20741	TA	\$ 445,151				\$ 445,151			\$ 445,151
Keizer	Verda Lane Bike/Ped improvements	20741	CMAQ	\$ -		\$ 1,449,885	\$ 1,412,165	\$ 2,862,050			\$ 2,862,050
Marion County	Lancaster Dr: Auburn to Center Urban Reconstr.	20745	STP	\$ 1,866,384				\$ 1,866,384			\$ 1,866,384
Marion County	Connecticut Av: Macleay to Rickey West Side Bike/Ped	21304	STP	\$ -	\$ 52,043		\$ 785,138	\$ 837,181			\$ 837,181
Marion County	State St: 4106 State St to 46th Ave	21895	STP	\$ -	\$ 448,650	\$ -	\$ 269,190	\$ 717,840		\$ 3,723,795	\$ 4,441,635
Marion County	Delaney Rd: Battle Creek Bridge	21896	STP	\$ 417,245		\$ 197,406		\$ 614,651	\$ 3,499,470		\$ 4,114,121
Salem	Pedestrian Safety – Improved Crossings	21879	STP	\$ 233,298		\$ 58,325	\$ 218,260	\$ 509,883			\$ 509,883
Salem	Pedestrian Safety – Improved Crossings	21879	TA	\$ -			\$ 717,801	\$ 717,801			\$ 717,801
Salem	Orchard Heights Road NW –	21883	STP	\$ -	\$ 426,218		\$ 1,256,220	\$ 1,682,438			\$ 1,682,438
Salem	McGilchrist Street SE – 22nd Street Phase	21887	STP	\$ 201,893		\$ 4,082,715		\$ 4,284,608			\$ 4,284,608
Salem	Commercial Street – Vista to Ratcliff	21890	TA	\$ -				\$ -		\$ 511,400	\$ 511,400
Salem	Commercial Street – Vista to Ratcliff	21890	STP	\$ -	\$ 574,272		\$ 287,136	\$ 861,408		\$ -	\$ 861,408
Salem	Commercial Street – Vista to Ratcliff	21890	CMAQ							\$ 1,911,310	\$ 1,911,310
SAMTD	Fixed-Route Transit Vehicle Replacement	21899	CMAQ	\$ -			\$ 1,884,330	\$ 1,884,330		\$ 1,345,950	\$ 3,230,280
Keizer	River Rd N/McNary Estates Dr Project Design	21892	STP	\$ -		\$ 305,082		\$ 305,082			\$ 305,082
Region	Salem Area Safe Routes to School	21901	STP	\$ -		\$ 511,461		\$ 511,461			\$ 511,461
	Total New Federal Funds			\$ 4,817,971	\$ 2,130,183	\$ 8,423,874	\$ 7,530,240	\$ 22,902,268	\$ 5,457,470	\$ 8,262,455	\$ 36,622,193



CITY MANAGER'S OFFICE

555 Liberty St SE / Room 220 • Salem, OR 97301-3503 • (503) 588-6255 • Fax (503) 588-6354

November 13, 2019

Sean O'Day, Executive Director
Mid-Willamette Valley Council of Governments
100 High Street SE, Suite 200
Salem OR 97301

SUBJECT: **Request for Modeling Support for Our Salem Project**

Dear Mr. O'Day: *Sean*

The City is in the midst of a multi-year project to update the Salem Area Comprehensive Plan. Your staff have been involved in this project as a member of the Technical Advisory Committee (Kim Sapunar) and during selection of the consultant team, which is led by Fregonese Associates.

We are currently in Phase 2 of the project with the goal of establishing a community vision for future growth by this time next year. We are working with the public and our consultant team to develop four land use scenarios. We will evaluate these scenarios against key indicators to help guide selection of a preferred scenario to support the community vision for future growth.

I am writing to request additional support from your staff to assist with analyzing the transportation impacts of different scenarios. Given the close relationship between transportation and land use planning, it is important that our community and elected officials understand the tradeoffs associated with different land use patterns. The regional transportation model developed and maintained by SKATS is the best tool available to measure transportation performance under different scenarios.

Staff from the Public Works and Community Development Departments have had initial conversations with SKATS staff about this request, including the number and timing of scenarios and format for best providing data to SKATS staff. My request for additional support is a result of these preliminary meetings. Please let me know if you need anything else from me to facilitate your consideration of this request.

Sincerely,

Steve Powers
City Manager

cc: Mike Jaffe, MWVCOG Transportation Program Director
Norman Wright, Salem Community Development Director
Peter Fernandez, Salem Public Works Director

EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Women, minorities, and disabled are encouraged to apply • ADA Accommodations will be provided upon request



KATE BROWN
Governor

September 23, 2019

Bob Van Brocklin
Oregon Transportation Commission
Kris Strickler
Oregon Department of Transportation
355 Capitol St. NE
Salem, OR 97301

Jerry Lidz, Robin McArthur
Land Conservation and Development Commission
Jim Rue, Director
Department of Land Conservation & Development
635 Capitol St. NE # 150
Salem, OR 97301

Janine Benner, Director
Oregon Department of Energy
550 Capitol St. NE
Salem, OR 97301

Kathleen George
Environmental Quality Commission
Richard Whitman, Director
Oregon Department of Environmental Quality
700 NE Multnomah St., Suite #600
Portland, OR 97232-4100

Dear Colleagues,

I urge your Commissions and agencies to combat the impacts of climate change by implementing the Statewide Transportation Strategy (STS) as adopted by the Oregon Transportation Commission.

One of the most cost effective strategies to reduce greenhouse gas (GHG) emissions from the transportation sector in Oregon is to integrate land use and transportation planning in ways that reduce the frequency and distance that people must drive. Compact, mixed-use cities with plenty of options for walking, cycling, and public transit not only reduce per capita GHG emissions but also provide the most equitable transportation access for every resident.

By adopting the STS in 2018, the Oregon Transportation Commission provided the tools that every metropolitan jurisdiction needs in order to develop and implement land use and transportation plans that will reduce GHG emissions from the transportation sector. It is now time for your four agencies to organize an implementation plan for the STS.

Like the Department of Environmental Quality and the Department of Energy, DLCD and ODOT are climate change agencies, and going forward all state and metropolitan transportation planning work needs to be designed to support achieving the state's GHG reduction goals.

September 23, 2019
Page 2

As you begin this work, I would like to propose the following:

- The establishment of GHG emissions reduction performance measures.
- Implementing a Transportation Planning Rule that directs transportation plans of metropolitan jurisdictions to meet their GHG reduction targets.
- That ODOT identifies options for financial and technical assistance to the metropolitan jurisdictions to utilize in crafting transportation/land use scenario plan(s) that meets their GHG reduction target.
- That responsibility for the implementation and integration of the STS be at the highest level of the agency, with regular and direct reporting to the Governor's Office and respective commissions.

Please be assured that the Governor's office will be closely involved in this effort. I welcome your feedback and appreciate the enthusiasm you and the agencies you oversee have expressed to begin this work. Now is the time.

Sincerely,

A handwritten signature in black ink, appearing to read "Kate Brown", with a long horizontal flourish extending to the right.

Governor Kate Brown

KB, bf, ejhr

cc: Karmen Fore, Director, Oregon Solutions



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: December 17, 2019

THRU: Sean O'Day
Executive Director

FROM: John Safstrom
Loan Program Manager

RE: Business Lending Program Update

The Business Lending Program Board of Directors approved four loans in November to small businesses located in Woodburn, Silverton and Albany.

One business, a limited service restaurant located in the Front Street business district in Woodburn receive two loans, one loan for the renovations to their building that will be matched by a City of Woodburn Urban Renewal grant to redevelop the business property; the second COG loan is for the purchase of new equipment.

The second business, located in Silverton, will receive a loan for the purchase of equipment and working capital. The business is a brewery currently located in Salem that is expanding into a brewery facility in Silverton that had ceased operating. The COG loan for the purchase of the brewing equipment is matched by a loan from Citizens Bank. The business intends to expand the brewery, provide food for retail customers and wholesale their beer varieties through Roth's grocery stores.

The fourth loan approved by the loan program (Valley Development Initiatives) Board of Directors is the first Community Advantage loan (an SBA 7a guaranteed loan program) for an appliance repair start up business located in Albany. This startup venture's owners are appliance repairmen that are developing a business to business model contracting with appliance warranty companies and appliance manufacturers with warranty repair divisions—the appliance repair company will be dispatched for service repairs to homes in the Willamette Valley. The loan purpose is for the purchase of repair vans, tools, repair parts and working capital. SBA will guaranty 75% of the VDI's loan with the loan program's option to retain the loan or sell the guaranty portion to the secondary market.

**BOARD OF DIRECTORS
MEETING SCHEDULE FOR CALENDAR YEAR 2020**

<u>Date</u>	<u>Location</u>
February 19 Annual Meeting 6:00 p.m.	Keizer Community Center 930 Chemawa Road NE Keizer, Oregon
March 4 Executive Committee	COG Offices 100 High Street SE, Suite 200 Salem, Oregon
March 17 Board of Directors	COG Offices
June 10 – 3 p.m. Budget Committee	COG Offices
June 10 – 4 p.m. Executive Committee	COG Offices
June 30 Board of Directors & Budget Hearing	COG Offices
September 9 Executive Committee	COG Offices
September 23 Board of Directors	COG Offices
December 2 Executive Committee	COG Offices
December 15 New Member Orientation and Board of Directors	COG Offices

- Board meetings are scheduled to begin at 3:30 p.m., except for the annual meeting, which is in the evening.
- Executive Committee meetings are scheduled to begin at 3:30 p.m., unless specifically noted
- The Budget Committee usually meets prior to the June COG Executive Committee meeting.
- The Budget Hearing will be part of the June COG Board Meeting.



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: December 17, 2019

FROM: Executive Committee
Mid-Willamette Valley Council of Governments

RE: Election of Officers for 2020

Action Requested

Approve the following 2020 MWVCOG slate of officers:

1. Chair: Jackie Franke, Chemeketa Community College
2. Vice Chair: Councilor Sal Peralta, McMinnville
3. Immediate Past Chair: Mayor Cathy Clark, Keizer
4. Lisa Leno, Confederated Tribes of Grand Ronde

Background

Under the Agreement creating the Council of Governments, the Executive Committee annually nominates a Chair and Vice Chair to the COG Board for the new calendar year. The Agreement provides that the Immediate Past Chair, Mayor Cathy Clark, Keizer will automatically serve on the Executive Committee for one year.

The Agreement creating the Council of Governments also provides for the appointment of a fourth member to the Executive Committee. The incoming Chair makes that nomination, which is subject to the approval by the Board of Directors. Ms. Franke is nominating Lisa Leno, from the Confederated Tribes of Grand Ronde.

Under the Agreement creating the Council of Governments the completed slate of officers should reflect as closely as possible the geographic and membership diversity within the region.

The Executive Committee met on December 4, 2019 and unanimously approved the above slate of officers.



MEMORANDUM

TO: **Board of Directors** **DATE: December 17, 2019**
Mid-Willamette Valley Council of Governments

THRU: **Sean O'Day**
Executive Director

FROM: **Renata Wakeley**
Community Development Director

SUBJECT: MWVCOG contract with Keller Associates, Inc. for North Santiam Joint Sewer Project Engineering Master Plan for Wastewater Facilities

Issue

Shall the COG Board authorize the Executive Director to enter into a contract with Keller Associates, Inc. for a North Santiam Joint Sewer Project Engineering Master Plan for Wastewater on behalf of the North Santiam Joint Sewer Task Group (NSJSTG), pending NSJSTG final review and approval?

Background

Marion County requested assistance from COG related to procurement and project management of engineering services related to a Santiam Canyon Wastewater Master Plan to assist the North Santiam Joint Sewer Task Group (NSJSTG).

The COG Board previously authorized the Executive Director to enter into an IGA with Marion County for procurement and project management of engineering services related to a Santiam Canyon Wastewater Master Plan to assist the North Santiam Joint Sewer Task Group (NSJSTG) via Resolution 2019-01.

Based upon the timeline below, the North Santiam Canyon Joint Sewer Task Group (NSJSTG), is scheduled to review the draft Keller Associates, Inc. contract on January 2, 2020.

<i>July 29, 2019</i>	Request for Qualifications (RFQ) published
<i>September 10, 2019</i>	Deadline for submission for RFQ
<i>September 25, 2019</i>	NSJSTG engineering consultant selection and recommendation

*November-
December 2019*

COG staff to collect review comments on the draft engineering contract from the Oregon Department of Environmental Quality, NSJSTG, and Marion County in advance of final review by the NSJSTG

January 2, 2019

NSJSTG final review of draft engineering contract and recommendation

As previously authorized under Resolution 2019-01, COG also intends to execute the attached IGA with Marion County, which includes up to **\$45,000** to COG for project management and oversight of the contract with the Firm, and up to **\$340,396** paid to COG for reimbursement to the engineering firm.

Recommendation

Staff recommends the Board authorize the Executive Director to enter into a contract with Keller Associates, Inc. for a North Santiam Wastewater Treatment Facilities Master Plan and Wastewater Treatment Plans, pending North Santiam Joint Sewer Task Group (NSJSTG) final review and approval.

Attachments:

Keller Associates, Inc. *draft* engineering contract
IGA between Marion County and MWVCOG for Contract Management of North Santiam Sewer Master Plan (Phase II)

**ENGINEERING SERVICES AGREEMENT
WITH THE MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
FOR NORTH SANTIAM JOINT SEWER PROJECT
DESIGN AND ENGINEERING MASTER PLAN AND WASTEWATER TREATMENT PLANS**

Contracting Government Entity: Mid-Willamette Valley Council of Governments
Contractor/Engineer: Keller Associates, Inc.
245 Commercial Street SE, Suite 210
Salem OR 97301
Term: 10/2019-6/2020
Compensation: Not to exceed \$ _____

RECITALS

WHEREAS, the Mid-Willamette Valley Council of Governments (MWVCOG) is facilitating and managing a project on behalf of the cities of Detroit, Gates, Idanha, and Mill City regarding the feasibility of a joint sewer system to serve their communities wastewater needs; and

WHEREAS, the accomplishment of the work and services described in this Agreement is necessary and essential to develop plans, estimates, and design of a North Santiam Joint Sewer Master Plan and multiple subsequent wastewater treatment facility plans; and

WHEREAS, the MWVCOG desires to engage the Engineer to render professional engineering services for the project described in this Agreement, and the Engineer is willing and qualified to perform such services; and

WHEREAS, the MWVCOG anticipates three future phases of engineering work and the oversight of the construction project, each to be negotiated and awarded separately and sequentially as the project moves forward in phases consistent with the Request for Proposals of July 29, 2019;

THEREFORE, in consideration of the promises and covenants contained herein, the parties hereby agree as follows:

1. **Engineer's Scope of Services**

The Engineer shall perform professional engineering services relevant to the Project in accordance with the terms and conditions set forth herein, and as provided in Exhibit 1, which is attached hereto and by this reference made a part of this Agreement.

2. **Effective Date and Duration**

This agreement shall become effective upon the date of execution by the MWVCOG and shall expire, unless otherwise terminated or extended, on completion of the work or **November 1, 2022**, whichever comes first. All work under this Agreement shall be completed prior to the expiration of this Agreement.

3. **Engineer's Fee**

A. **Basic Fee**

- 1) As compensation for Basic Services as described in Exhibit 1 of this Agreement, and for services required in the fulfillment of Paragraph 1, the Engineer shall be paid on a lump sum or hourly rate based upon the "Schedule of Rates" in Exhibit 1 of this agreement, which shall constitute full and complete payment for said services and all expenditures which may be made and expenses incurred, except

as otherwise expressly provided in this Agreement. The Basic Fee shall not exceed the amount of _____ dollars (\$_____) without prior written authorization.

- 2) The parties hereto do expressly agree that the Basic Fee is based upon the Scope of Services provided in Exhibit 1 and the Engineer's compensation will not be adjusted unless the Scope of Services changes and is authorized and accepted by the MWVCOG.

B. Payment Schedule for Basic Fee

Payments shall be made upon receipt of billings based on the work completed. Billings shall be submitted by the Engineer periodically, but not more frequently than monthly. Monthly progress payments will be made by MWVCOG within thirty (30) calendar days following receipt of properly itemized invoices. Payment by the MWVCOG shall release the MWVCOG from any further obligation for payment to the engineer for service or services performed or expenses incurred as of the date of the statement of services. Payment shall be made only for work actually completed as of the date of invoice. Payment shall not be considered acceptance or approval of any work or waiver of any defects therein.

C. Payment for Special Services

Payment for extra work that is not described in this Engineering Services Agreement scope of services will only be made when authorized in advance and in writing by the MWVCOG prior to such work being performed by the Engineer. If the Engineer anticipates that the fee is going to surpass the not-to-exceed figure because a task has changed and is outside the scope, the Engineer shall notify the MWVCOG in writing of the circumstances with an estimated amount that the fee is to be exceeded. The Engineer shall obtain written permission from the MWVCOG before exceeding the not-to-exceed fee amount. If the Engineer does work that exceeds the maximum fee amount prior to obtaining the written permission, the Engineer waives any right to collect that exceeding amount.

D. Certified Cost Records

The Engineer shall furnish certified cost records for all billings pertaining to other than lump sum fees to substantiate all charges. For such purposes, the books of account of the Engineer shall be subject to audit by the MWVCOG. The Engineer shall complete work and cost records for all billings in accordance with generally accepted accounting principles.

E. Contract Identification

The Engineer shall furnish to the MWVCOG its employer identification number, as designated by the Internal Revenue Service, or social security number, as the MWVCOG deems applicable.

4. Ownership of Plans and Documents: Records

- A. The field notes, design notes, and original drawings of the construction plans, including any copyright therein, as instruments of service, are and shall remain, the property of the Engineer; however, the MWVCOG shall be furnished, at no additional cost, one set of previously approved reproducible drawings, in the format prescribed by MWVCOG of the original drawings of the work. The MWVCOG shall have non-exclusive, unlimited license to use the materials received from the Engineer in any way the MWVCOG deems necessary. Any use, re-use or alteration of any materials other than as contemplated by the

applicable Scope of Services shall be at the MWVCOG's sole risk, unless written permission has been received from Engineer prior to any such use.

- B. The Engineer shall furnish to the MWVCOG, copies of all maps, records, field notes, and soil tests which were developed in the course of work for the MWVCOG and for which compensation has been received by the Engineer at no additional expense to the MWVCOG except as provided elsewhere in this Agreement.

5. **Assignment/Delegation**

Neither party shall assign, sublet or transfer any interest in or duty under this Agreement without the written consent of the other and no assignment shall be of any force or effect whatsoever unless and until the other party has so consented. If the MWVCOG agrees to assignment of tasks to a subcontract, Engineer shall be fully responsible for the negligent acts or omissions of any subcontractors and of all persons employed by them, and neither the approval by MWVCOG of any subcontractor nor anything contained herein shall be deemed to create any contractual relation between the subcontractor and MWVCOG.

6. **Engineer is Independent Contractor**

- A. The MWVCOG's project director, or designee, shall be responsible for determining whether Engineer's work product is satisfactory and consistent with this agreement, but Engineer is not subject to the direction and control of the MWVCOG. Engineer shall be an independent contractor for all purposes and shall be entitled to no compensation other than the compensation provided for under Section 3 of this Agreement.
- B. Engineer is an independent contractor and not an employee of MWVCOG. Engineer acknowledges Engineer's status as an independent contractor and acknowledges that Engineer is not an employee of the MWVCOG for purposes of workers compensation law, public employee benefits law, or any other law. All persons retained by Engineer to provide services under this contract are employees of Engineer and not of MWVCOG. Engineer acknowledges that Engineer is not entitled to benefits of any kind to which a MWVCOG employee is entitled and that Engineer shall be solely responsible for workers compensation coverage for Engineer employees and all other payments and taxes required by law. Furthermore, in the event that Engineer is found by a court of law or an administrative agency to be an employee of the MWVCOG for any purpose, MWVCOG shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Engineer under the terms of the agreement, to the full extent of any benefits or other remuneration Engineer receives (from MWVCOG or third party) as a result of said finding and to the full extent of any payments that MWVCOG is required to make (to Engineer or to a third party) as a result of said finding.
- C. The undersigned Engineer hereby represents that no employee of the MWVCOG or any partnership or corporation in which a MWVCOG employee has an interest, has or will receive any remuneration of any description from the Engineer, either directly or indirectly, in connection with the letting or performance of this Agreement, except as specifically declared in writing.
- D. If this payment is to be charged against Federal funds, Engineer certifies that he/she is not currently employed by the Federal Government and the amount charged does not exceed his/her normal charge for the type of service provided.

- E. Engineer and its employees, if any, are not active members of the Oregon Public Employees Retirement System and are not employed for a total of 600 hours or more in the calendar year by any public employer participating in the Retirement System.
- F. Engineer is not an officer, employee, or agent of the MWVCOG as those terms are used in ORS 30.265.

7. **Indemnity**

- A. The MWVCOG has relied upon the professional ability and training of the Engineer as a material inducement to enter into this Agreement. Engineer represents to the MWVCOG that the work under this contract will be performed in accordance with the professional standards of skill and care ordinarily exercised by members of the engineering profession under similar conditions and circumstances as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Engineer's work by the MWVCOG shall not operate as a waiver or release. Acceptance of documents by the MWVCOG does not relieve Engineer of any responsibility for negligent or wrongful design deficiencies, errors, or omissions.
- B. Claims for other than Professional Liability. Engineer shall defend, save and hold harmless the MWVCOG, its officers, agents, and employees from all claims, suits, or actions and all expenses incidental to the investigation and defense thereof, of whatsoever nature, including intentional acts to the extent resulting from or arising out of the activities of Engineer or its subcontractors, sub-consultants, agents or employees under this contract. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this indemnification.
- C. Claims for Professional Liability. Engineer shall defend, save and hold harmless the MWVCOG, its officers, agents, and employees from all claims, suits, or actions and all expenses incidental to the investigation and defense thereof, to the extent arising out of the professional negligent acts, errors or omissions of Engineer or its subcontractors, sub-consultants, agents or employees in performance of professional services under this agreement.
- D. As used in subsections B and C of this section, a claim for professional responsibility is a claim made against the MWVCOG in which the MWVCOG's alleged liability results directly from the quality of the professional services provided by Engineer, regardless of the type of claim made against the MWVCOG. A claim for other than professional responsibility is a claim made against the MWVCOG in which the MWVCOG's alleged liability results from an act or omission by Engineer unrelated to the quality of professional services provided by Engineer.

8. **Insurance**

Engineer and its subcontractors shall maintain insurance acceptable to the MWVCOG in full force and effect throughout the term of this contract. Such insurance shall cover risks arising directly or indirectly out of Engineer's activities or work hereunder, including the operations of its subcontractors of any tier. Such insurance shall include provisions that such insurance is primary insurance with respect to the interests of the MWVCOG and that any other insurance maintained by the MWVCOG is excess and not contributory insurance with the insurance required hereunder.

The policy or policies of insurance maintained by the Engineer and its subcontractors shall provide at least the following limits and coverages:

A. Commercial Comprehensive General Liability Insurance

Engineer shall obtain, at Engineer's expense, and keep in effect during the term of this contract, Commercial Comprehensive General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form. This coverage shall include Contractual Liability insurance for the indemnity provided under this contract and Product and Completed Operations. Such insurance shall be primary and non-contributory. The following insurance will be carried:

<u>Coverage</u>	<u>Limit</u>
General Liability (Aggregate)	\$5,000,000

B. Professional Liability

Engineer shall obtain, at Engineer's expense, and keep in effect during the term of this contract, Professional Liability Insurance covering any damages caused by an error, omission or any negligent act. Combined single limit per occurrence shall not be less than \$1,000,000, or the equivalent, along with professional errors and omissions coverage of \$500,000. Annual aggregate limit shall not be less than \$3,000,000 and filed on a "claims-made" form.

C. Commercial Automobile Insurance

Engineer shall also obtain, at engineer's expense, and keep in effect during the term of the contract Commercial Automobile Liability coverage on an "occurrence" form including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$2,000,000.

D. Workers' Compensation Insurance

The Engineer, its subcontractors, if any, and all employers providing work, labor or materials under this Contract who are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers. Out-of-state employers must provide Oregon workers' compensation coverage for their workers that complies with ORS 656.126. This shall include Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident.

E. Additional Insured Provision

The Engineer shall provide certification of all coverages and the Commercial General Liability Insurance Policy and Automobile Policy shall name the MWVCOG its officers, directors, and employees as "additional insureds" with respect to this contract. Certification of all coverages in compliance with this section shall be provided to MWVCOG prior to signing the agreement. The MWVCOG is defined as the entity named on the declarations page of the coverage agreement and its officers, employees, and agents including volunteers, authorized to act on behalf of the MWVCOG. Coverage will be endorsed to provide a per project aggregate.

F. Extended Reporting Coverage

If any of the aforementioned liability insurance is arranged on a "claims made" basis, Extended Reporting coverage will be required at the completion of this contract to a duration of 24 months or the maximum time period the Engineer's insurer will provide

such if less than 24 months. Engineer will be responsible for furnishing certification of Extended Reporting coverage as described or continuous “claims made” liability coverage for 24 months following contract completion. Continuous “claims made” coverage will be acceptable in lieu of Extended Reporting coverage, provided its retroactive date is on or before the effective date of this contract. Coverage will be endorsed to provide a per project aggregate.

G. Notice of Cancellation

There shall be no cancellation, material change (such as reduction of liability limits), or intent not to renew insurance coverage without 30 days written notice to the MWVCOG. Any failure to comply with this provision will not affect the insurance coverage provided to the MWVCOG. The 30 days' notice of cancellation provision shall be physically endorsed on to the policy.

H. Insurance Carrier Rating

Coverage provided by the Engineer must be underwritten by an insurance company deemed acceptable by the MWVCOG. The MWVCOG reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

I. Certificates of Insurance

As evidence of the insurance coverage required by the contract, the Engineer shall furnish a Certificate of Insurance to the MWVCOG. No contract shall be effected until the required certificates have been received and approved by the MWVCOG. A renewal certificate will be sent to the address below 30 days prior to coverage expiration.

Certificates of Insurance should read “Insurance certificate pertaining to contract for the North Santiam Joint Sewer Project Design and Engineering Master Plan and Wastewater Treatment Plans. MWVCOG, its officers, directors and employees shall be added as additional insureds with respects to this contract. Insured coverage is “primary” in the description portion of certificate.

J. Primary Coverage Clarification

The parties agree that Engineer’s coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the MWVCOG is excess and not contributory insurance with the insurance required in this section.

K. Cross-Liability Clause

A cross-liability clause or separation of insureds clause will be included in general liability.

A copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, or at the discretion of MWVCOG, in lieu thereof, a certificate in form satisfactory to MWVCOG certifying to the issuance of such insurance shall be forwarded to:

Gregory H. Smith, Finance Director Mid-Willamette Valley Council of Governments 100 High Street SE Suite 200 Salem, OR 97301	Ph: 503-540-1603 Fax: 503-588-6094 Email: gsmith@mwvcog.org
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Such policies or certificates must be delivered prior to commencement of the work. Thirty days cancellation notice shall be provided to the MWVCOG by mail to the name at the address listed above in event of cancellation or non-renewal of the insurance.

The procuring of such required insurance shall not be construed to limit Engineer's liability hereunder. Notwithstanding said insurance, Engineer shall be obligated for the total amount of any damage, injury, or loss to the extent caused by negligence or wrongful acts in the performance of services with this contract.

9. **Termination Without Cause**

At any time and without cause, MWVCOG shall have the right, in its sole discretion, to terminate this Agreement by giving notice to Engineer. If the MWVCOG terminates the contract pursuant to this paragraph, it shall pay Engineer for services rendered to the date of termination. In no circumstance shall profit or overhead on unperformed work be due to Engineer.

10. **Termination With Cause**

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

- 1) If MWVCOG funding from federal, state, local, or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of services. This Agreement may be modified to accommodate a reduction in funds.
- 2) If Federal or State regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement.
- 3) If any license or certificate required by law or regulation to be held by Engineer, its subcontractors, agents, and employees to provide the services required by this Agreement is for any reason denied, revoked, or not renewed.
- 4) If Engineer becomes insolvent, if voluntary or involuntary petition in bankruptcy is filed by or against Engineer, if a receiver or trustee is appointed for Engineer, or if there is an assignment for the benefit of creditors of Engineer.

Any such termination of this agreement under paragraph (A) shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

B. MWVCOG, by written notice of default (including breach of contract) to Engineer, may terminate the whole or any part of this Agreement:

- 1) If Engineer fails to provide services called for by this agreement within the time specified herein or any extension thereof, and after receipt of written notice from MWVCOG, fails to correct such failures within ten days or such other period as MWVCOG may authorize, or
- 2) If Engineer fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this agreement in accordance with its terms, and after receipt of written notice from MWVCOG, fails to correct such failures within ten days or such other period as MWVCOG may authorize.

The rights and remedies of MWVCOG provided in the above clause related to defaults (including breach of contract) by Engineer shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

If MWVCOG terminates this Agreement under paragraph (B), Engineer shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred, an amount which

bears the same ratio to the total fees specified in this Agreement as the services satisfactorily rendered by Engineer bear to the total services otherwise required to be performed for such total fee; provided, that there shall be deducted from such amount the amount of damages, if any, sustained by MWVCOG due to breach of contract by Engineer. Damages for breach of contract shall be those allowed by Oregon law, reasonable and necessary attorney fees, and other costs of litigation at trial and upon appeal. No payment shall be due to Engineer until MWVCOG's damages are fully complete and calculated. If the amount of damage owed to the MWVCOG is more than the amount owed to Engineer, Engineer shall tender the balance owed to MWVCOG upon demand.

Any wrongful exercise of a termination for cause shall be converted to a termination without cause and Engineer's remedy shall be as limited therein

11. **Non-Waiver**

The failure of either party to insist upon or enforce strict performance by the other party of any of the terms of this Agreement or to exercise any rights hereunder, should not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.

12. **Method and Place of Giving Notice, Submitting Bills and Making Payments**

All notices, bills and payments shall be made in writing and may be given by personal delivery, mail, or by fax. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices, bills, payments, and other information:

Mid-Willamette Valley COG	Engineer
Attn: Finance Department	Attn: Peter Olsen
100 High Street SE, Suite 200 Salem, OR 97301	Address: 245 Commercial St SE, #210, Salem, OR 97301
Phone: 503-540-1603	Phone: 503-364-2002
Fax: 503-588-6094	Fax: None
Email: gsmith@mwvcog.org	Email Address: polsen@kellerassociates.com

and when so addressed, shall be deemed given upon deposit in the United States mail, or postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving written notice pursuant to this paragraph.

13. **Merger**

This writing is intended both as a final expression of the Agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both parties.

14. **Force Majeure**

Neither MWVCOG nor Engineer shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disenabled, including but not restricted to, an act of God or of a public enemy, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather or delay of subcontractor or supplies due to such cause; provided that the parties so disenabled shall within ten days from the beginning of such delay, notify the other

party in writing of the cause of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under the Agreement.

15. **Federal/State/Local Requirements**

Engineer agrees to comply with all Federal, State and local laws, regulations, executive orders and ordinances applicable to the work under this contract, including, without limitation, the provisions of ORS 279B.220, 279B.230, 279B.235, and 279B.270. In addition, Engineer agrees to comply with:

- a. Title VI of the Civil Rights Act of 1964;
- b. Section V of the Rehabilitation Act of 1973;
- c. The Americans with Disabilities Act of 1990 and ORS 659A;
- d. All regulations and administrative rules established pursuant to the foregoing laws;

and

- e. All other applicable requirements of Federal and State civil rights and rehabilitation statutes, rules and regulations.

16. **Errors**

Engineer shall perform such additional work as may be necessary to correct errors in the work required under this Agreement without undue delays and without additional cost.

17. **Extra (Changes) Work**

Only the MWVCOG Executive Director (currently Sean O'Day) may authorize extra (and/or change) work. Failure of Engineer to secure authorization for extra work may constitute a waiver of all right to adjustment in the contract price or contract time due to such unauthorized extra work and Engineer thereafter shall be entitled to no compensation whatsoever for the performance of such work.

18. **Governing Law**

The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Oregon. Any action or suits involving any question arising under this Agreement must be brought in the appropriate court of the State of Oregon.

19. **Compliance With Applicable Law**

Engineer shall comply with all applicable federal, state, local laws and ordinances, including but not limited to:

- A. Engineer shall pay promptly, as due, all persons supplying labor or materials for the completion of the work provided for in the contract and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor.
- B. Engineer shall promptly pay all contributions or amounts due the Industrial Accident Fund from such Engineer or Subcontractor incurred in the performance of the contract.
- C. Engineer shall not permit any lien or claim to be filed or prosecuted against the MWVCOG on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted.
- D. Engineer and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.617.

- E. If Engineer fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the Engineer or a Subcontractor by any person in connection with the contract as such claim becomes due, the MWVCOG may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due Engineer by reason of the contract. The payment of a claim in the manner authorized hereby shall not relieve the Engineer or his surety from his or its obligation with respect to any unpaid claim. If the MWVCOG is unable to determine the validity of any claim for labor or material furnished, the MWVCOG may withhold from any current payment due Engineer an amount equal to said claim until its validity is determined and the claim, if valid, is paid.
- F. If the Engineer fails, neglects or refuses to pay a person that provides labor or materials in connection with the public improvement contract within 30 days after receiving payment from the contracting agency, the Engineer owes the person the amount due plus interest charges that begin at the end of the 10-day period within which payment is due under ORS 279C.580 (4) and that end upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest on the amount due is nine percent per annum. The amount of interest may not be waived.
- G. Engineer shall promptly, as due, make payment to any person, co-partnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such Engineer, of all sums which the Engineer agrees to pay for such services and all monies and sums which the Engineer collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.
- H. Engineer shall pay employees for overtime work performed under the contract in accordance with ORS 653.010 to 653.261 and the Fair Labor Standards Act of 1938 (29 USC 201, *et seq.*).
- I. The Engineer must give notice to employees who work on this contract in writing, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and the days per week that the employees may be required to work.
- J. All subject employers working under the Engineer are either employers that will comply with ORS 656.017, or employers that are exempt under ORS 656.126.
- K. All sums due the State Unemployment Compensation Fund from the Engineer or any Subcontractor in connection with the performance of the contract shall be promptly so paid.
- L. Engineer certifies compliance with all applicable Oregon tax laws, in accordance with ORS 305.385.
- M. Engineer certifies that it has not and will not discriminate against a subcontractor in awarding a subcontract because the subcontractor is a disadvantaged business enterprise, a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns or an emerging small business that is certified under ORS 200.055. Without limiting the foregoing, Consultant expressly agrees to comply with: (i) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the

Americans with Disabilities Act of 1990, (iv) ORS 659.425, (v) all regulations and administrative rules established pursuant to those laws; and (vi) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

- N. The Engineer represents and warrants that Engineer (i) is not currently an employee of the federal government or the State of Oregon, and (ii) meets the specific independent contractor standards of ORS 670.600.
- O. If Engineer is a foreign contractor as defined in ORS 279A.120, Engineer shall comply with that section and the Contracting Agency must satisfy itself that the requirements of ORS 279A.120 have been complied with by Engineer before Contracting Agency issues final payment under this agreement.
- P. If this Contract exceeds \$50,000, is not otherwise exempt, and includes work subject to prevailing wage, Engineer shall comply with ORS 279C.838, ORS 279C.840, and federal law.
- Q. Engineer shall not provide or offer to provide any appreciable pecuniary or material benefit to any officer or employee of the MWVCOG in connection with this Agreement in violation of ORS chapter 244.

Any other condition or clause required by law to be in this Agreement shall be considered included by this reference. In the event of conflict, these required conditions and clauses control over any contrary or different conditions or terms of this Agreement

20. **Conflict Between Terms**

It is further expressly agreed by and between the parties that should there be any conflict between the terms of this Agreement and any of the exhibits or attachments that together comprise the contract, this Agreement shall control and inclusion of any exhibit or attachment that has conflicting terms shall not be considered acceptance of the conflicting terms. If there is a conflict between the terms of this Agreement and any exhibit or attachment, the terms of this Agreement shall control.

21. **Access to Records**

MWVCOG shall have access to such books, documents, papers and records of Engineer as are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

22. **Audit**

Engineer shall maintain records to help assure conformance with the terms and conditions of this Agreement, and to help assure adequate performance and accurate expenditures within the contract period. Engineer agrees to permit MWVCOG, the State of Oregon, the federal government, or their duly authorized representatives to audit all records pertaining to this Agreement to help assure the accurate expenditure of funds.

23. **Severability**

In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the parties when they entered into the agreement.

24. **Complete Agreement**

This Agreement and attached exhibit(s) constitute the entire Agreement between the parties. No waiver, consent, modification, or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change if made, shall be effective only in specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. Engineer, by the signature of its authorized representative, hereby acknowledges that he/she has read this Agreement, understands it and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, MWVCOG has caused this Agreement to be executed by its duly authorized undersigned officer and Engineer has executed this Agreement on the date hereinabove first written.

ENGINEER

By: _____
Keller Associates, Inc.

James Bledsoe, Principal

Signature of Firm's Representative

Date

Mid-Willamette Valley Council of Governments

By: Signature

Sean O'Day, Executive Director

Date

APPROVED AS TO FORM:

General Counsel

EXHIBIT 1
North Santiam Joint Sewer Project Engineering Master Planning for Wastewater Facilities
SCOPE OF WORK

BACKGROUND

Since 2017, the four Oregon communities of Detroit, Gates, Idanha and Mill City have been in regular discussions regarding the governance and feasibility of a joint sewer system to serve their communities' wastewater needs. Three of the communities -- Detroit, Gates and Idanha -- rely on individual septic systems, and Mill City maintains a STEP (Septic Tank Effluent Pumping) sewer system with a drain field that is more than 25 years old and may require repairs or upgrades in the coming years. In some locations, residential, commercial or industrial properties are unable to secure proper permitting for the necessary new or replacement septic system components and drain fields. This is due to small lot sizes, shallow groundwater, high precipitation, or unfavorable soil compositions and is especially concerning for properties in Detroit, Gates and Idanha since they do not have a community sewer system. With the advancing age of these individual septic systems, failures would likely threaten the health of the watershed that serves more than 225,000 downstream daily water users in and around Salem, Oregon.

All four cities stand to benefit from wastewater infrastructure as economic development for retail and industry. Mill City will benefit with an upgraded system and the other three (3) communities will no longer be limited due to insufficiency of drain fields. The communities also believe housing developments and property redevelopment will be more economically feasible.

In January 2017, a feasibility study titled North Santiam Canyon Regional Wastewater Analysis by Keller Associates and a North Santiam Canyon Regional Land Inventory by Maul Foster and Alongi were completed for these communities. This planning effort will build upon those previous planning efforts.

The total project proposes three phases of engineering work, and the potential oversight of the construction project. These phases may include:

1. North Santiam Joint Sewer Master Plan
2. Wastewater Treatment Facility Plan(s). Multiple Wastewater Treatment Facility plans are being sought:
 - a. Facility plans compliant with the 3-Basin Rule
 - b. Facility plans proposing an alternate/variance for the 3-Basin Rule
3. Design and construction contract administration of the wastewater treatment facilities

Below is the scope of work with all the tasks needed to complete Phase 1: North Santiam Joint Sewer Master Plan. The Wastewater treatment facility plans, as well as design and construction phase services for the wastewater conveyance and treatment facilities are briefly described but will be more fully defined in the future; and each subsequent phase of service will be negotiated and awarded separately and sequentially as the project moves forward.

TASK 1: PROJECT MANAGEMENT OF NORTH SANTIAM JOINT SEWER MASTER PLAN

Engineer Responsibilities

- 1.1 Project Management. Provide general project administration services including contract administration, project accounting, project update summaries, and internal project administration.
- 1.2 Scheduling. Develop and maintain project schedule and budget.
- 1.3 Kickoff Meeting. Set up and facilitate the kickoff meeting, providing the agenda and minutes.
- 1.4 Monthly North Santiam Joint Sewer Task Force (NSJSTF) meetings to coordinate progress. This task includes attending up to twelve NSJSTF meetings (Anticipate one meeting per month with the NSJSTF), as requested.
- 1.5 Monthly report memo to NSJSTF required.

MWVCOG Responsibilities

- Organize project meetings with stakeholders, including but not limited to NSJSTF, Marion County Board of Commissioners (BOC), City of Salem, to get feedback as needed throughout the project on project specific items and coordinated with Engineer.
- Organize and coordinate Technical Review Committee (TRC), establishing who is in the committee and facilitating the first contact with the committee members.
- Provide meeting space for all project meetings. Provide advertising where required.

Assumptions

- Engineer's Project Manager is Peter Olsen, PE. The Principal is designated as James Bledsoe, PE.
- Project management budget assumes a planning schedule of up to twelve months.
- Should additional meetings be requested by the Mid-Willamette Valley Council of Governments (MWVCOG), additional budget will need to be authorized.
- TRC meetings will be included in the respective tasks.
- The TRC will invite Oregon Department of Environmental Quality (DEQ) representatives to participate.

Engineer Deliverables

- Monthly invoices and project update summaries.
- Overall schedule
- Monthly project schedule.
- Project meeting agendas and minutes.

TASK 2: DATA COLLECTION

Engineer Responsibilities

- 2.1 Prepare a Request for Information (RFI) and review data. Coordinate directly with the applicable jurisdictions. At a minimum, this is anticipated to include the following information:
 - From Each City
 - ✓ Existing utility mapping (GIS and CAD) and as-builts for each City, if available.
 - ✓ Historic water usage for the previous 5-years, if available.

- ✓ Most recent water master plan and water management and conservation plan, if available.
- ✓ Transportation and other pertinent planning documents, if applicable.
- ✓ Current system development charges and rates for water, storm, transportation, and sewer utilities, if available.
- Mill City Sanitary Sewer System
 - ✓ Provide existing number of EDUs the current treatment plant is servicing as well as the 5-year, 10-year, and 20-year EDU growth projection.
 - ✓ Flow and load data, process data, and effluent results for the previous 5-years.
 - ✓ Wastewater treatment plant (WWTP) operations and maintenance manual.
 - ✓ Lift station operations and maintenance manuals.
 - ✓ Pump curves for WWTP and each lift station.
 - ✓ Record drawings for WWTP and each lift station.
 - ✓ Record drawings and/or survey information for collection system.
 - ✓ Maintenance records for the WWTP, lift stations, and collection system.
 - ✓ CCTV summary records (if any).
 - ✓ SCADA records.
 - ✓ Historical data on asset costs and year placed in service.
 - ✓ Most recent CIP or list of capital needs with cost estimates.
 - ✓ 3-5 years of expenditures and revenues for sewer utility (line item detail).
 - ✓ Most recent year-end fund balance for sewer utility.
 - ✓ Current rates for sewer utility.
 - ✓ Outstanding debt and debt service schedules for sewer utility.

MWVCOG Responsibilities

- Provide information request in the RFI's in a timely manner.

Assumptions

- No surveying, geotechnical, or environmental field work is included in this planning effort.
- Cities to provide responses to RFI's, as applicable, and in a timely manner.
- Engineer shall be entitled to rely, without liability, on the accuracy and completeness of information provided by MWVCOG, other agencies and stakeholders, and information from public records, without the need for independent verification.

Engineer Deliverables

- Request for information document listing information needed for the project and related correspondence.

TASK 3: MILL CITY SEWER SYSTEM EVALUATION

Engineer Responsibilities

- 3.1 Visit the Mill City WWTP and lift stations. In-field observations of the WWTP and lift station assets will be made to review system operations and help characterize the asset conditions and estimate the remaining useful life.
- 3.2 Interview Mill City staff/operators and discuss known problems/issues at the WWTP.

- 3.3 Review historical performance data and violation records (if any).
- 3.4 Evaluate each major process component to generally assess remaining capacity in terms of flow/loading and equivalent dwelling units (EDUs).
- 3.5 Compare available soil information and typical hydraulic conductivities to the design criteria reported for the drain field.
- 3.6 Identify and provide planning level cost estimates for recommended short-term repairs / modifications / improvements Mill City will need to make from 2020 to 2030 (5 & 10 year).

Responsible for the oversight of *services of Sub-Consultant FCS Group to complete the following additional tasks (System Valuation)*

- 3.7 Review Mill City data on wastewater system historical costs, assets, age, and capacity.
- 3.8 Develop current replacement cost estimates for Mill City assets, including STEP systems and treatment facilities.
- 3.9 Analyze net revenue of Mill City sewer utility based on current rates and costs.
- 3.10 Estimate the value of existing Mill City sewer assets and capacity.
- 3.11 Develop a recommended method for incorporating the value of prior capital investment into the rates or connection charges paid by Mill City residents to a regional system.

Responsible for the oversight of *services of Sub-Consultant FCS Group to complete the following additional tasks (Business Case Evaluation)*

- 3.12 Interview representatives of Mill City, Marion County, and (if possible) Detroit, Gates, and Idanha regarding their views of the advantages and disadvantages of a regional system.
- 3.13 Review relevant data related to finances, growth, current properties with septic systems, potential growth within initial connection area.
- 3.14 Analyze advantages and disadvantages to Mill City—as well as the impact on other partners—if Mill City is included or excluded from the regional wastewater system partnership.
- 3.15 Prepare discussion notes with a preliminary business case analysis.
- 3.16 By conference call, review preliminary analysis with Mill City and others (such Marion County) who might be able to offer preliminary feedback.
- 3.17 Draft issue paper documenting the business case for and against Mill City involvement in regional wastewater partnership, assuming the recommended method (developed in Task 3.10) for incorporating the value of prior capital investment into the rate or connection charges paid by Mill City residents to a regional system.
- 3.18 Present analysis and issue paper to the North Santiam Joint Wastewater Project committee.

MWVCOG Responsibilities, Coordinate with Mill City to provide the following services:

- Identify any asset upgrades that have been made since 1990.
- Summarize known issues/problems (i.e. obsolescence of equipment, controls, electrical, etc.).
- Provide additional sampling, field data, and water quality testing as required.
- Provide input on the evaluation.
- Assist in scheduling individual meetings between Sub-Consultant and the potential regional partners as part of the business case analysis.

Assumptions

- Facility conditions evaluation will be based on visual observation and input from City staff and will not include destructive field testing or extensive field measurements.
- Mill City will provide access to all facilities and personnel.
- This scope does not include validation modeling or field testing of the drain field.
- This scope does not include hydraulic modeling, identifying potential improvements, or making recommendations for operations and maintenance practices.
- The valuation of existing Mill City wastewater facilities will consist of Sub-Consultant's professional judgment based on the data available.

Deliverables

- Draft and Final write-ups on remaining capacity evaluation, including short-term (5-year) recommendations for maintenance, capital repairs or improvements to serve estimated growth through the year 2030.
- Draft and Final write-ups on system valuation and business case evaluation.
- Preliminary Report consultations with Mill City task force members and Mill City staff to review analysis, findings, conclusions and recommendations.
- Presentation from Sub-Consultant to North Santiam Joint Wastewater Project Task Force.

TASK 4: PLANNING CRITERIA

Engineer Responsibilities

- 4.1 Study Area. Assist MWVCOG in identifying the existing, 10-year, 20-year, and 50-year service areas. The initial service area is anticipated to build upon efforts of the NSJSTF and GIS mapping completed by Marion County staff. The initial communities that will be included in the Sewer Authority is Idanha, Detroit, Gates, and Mill City. For planning purposes, the communities of Lyons and Mehama will be included only in projections, but not collection system or treatment/disposal site evaluations.
- 4.2 Population Projections. Assist MWVCOG in identifying the 10-year, 20-year and 50-year population projections for the sewer study area. Population projections will be provided for two scenarios. One scenario is per the approved PSU population forecasts. The other will make estimates to account for economic development potential should sewer be available. The effects of economic development will utilize the documented effects of a community wastewater system for the nearby community of Sisters, Oregon. These two population forecast scenarios will be reviewed by the TRC and only one approved prior to moving forward with treatment and disposal evaluations.
- 4.3 Flowrate Estimates. Summarize Mill City existing wastewater treatment influent flow data to estimate average day, max day, and peak hour flowrates per capita. Use this information along with available winter water usage records to estimate typical flows per acre for residential and non-residential areas. Review the last five years of existing industrial water usage for Mill City. Discuss with the MWVCOG the inclusion of an industrial reserve for each facility for potential future higher use industry. Provide flow estimates for all four communities for the 10-year, 20-year, and 40-year growth scenarios.

- 4.4 Regulatory Requirements. Review and summarize current, pending and anticipated future regulatory requirements (other than the Three Basin Rule) that may influence selection of a recommended solution for wastewater treatment and disposal.
- 4.5 Planning Criteria. Provide recommended planning criteria including pipe capacity, minimum pipe slopes, maximum pipe installation depths for new trunk lines, and projected treatment requirements.
- 4.6 Draft Writeup. Summarize planning criteria in Task 4.1 through 4.5 in a draft writeup.
- 4.7 Coordinate and lead the TRC Meeting #1 (TRC #1) -- Planning Criteria Workshop.

MWVCOG Responsibilities

- Provide input on estimated 10-year, 20-year, and 40-year populations (both scenarios), growth areas, land use, and industrial reserve.
- Provide input on housing density information (people per dwelling unit and dwelling units per acre).

Deliverables

- Draft write-up summarizing the planning criteria (including study area, future flows/wastewater characteristics). The final master plan report will have the TRC's comments incorporated.
- TRC meeting agenda and minutes.

TASK 5: THREE BASIN RULE OUTREACH / REGULATORY INTERACTION

Engineer Responsibilities

- 5.1 Provide general background information summaries on the surface and groundwater quality.
- 5.2 Prepare draft permit applications for surface water discharge and indirect discharge (land application or subsurface discharge) for DEQ review. It is assumed for these draft permit applications that the treatment discussed in the 2017 Feasibility Study will be used.
- 5.3 Meet with DEQ to discuss the permit applications. For the purpose of this scope, up to two (2) meetings are assumed.
- 5.4 Participate in meetings with County, downstream cities, and state legislators regarding modifying the Three Basin Rule. For the purpose of the scope, up to four (4) Three Basin Rule meetings are assumed.

MWVCOG Responsibilities

- Provide input on draft permit applications.
- If necessary, pay fee to DEQ for draft permit applications.
- Review and comment on draft documents.

Deliverables

- Agendas for DEQ and Three Basin Rule meetings and minutes.
- Draft write-up summarizing the Three Basin Rule regulatory interaction.

TASK 6: COLLECTION SYSTEM LAYOUTS

Engineer Responsibilities

- 6.1 Responsible for the oversight of services of Sub-Consultant *Shannon & Wilson* to evaluate site geology and seismic hazards along the proposed pipeline alignments as outlined in Attachment A.
- 6.2 Develop gravity and pressure pipeline alignments and sizes to serve properties within the existing Urban Growth Boundaries (UGB's) for each community.
- 6.3 Lift station locations will be approximated. Final site selection and design will be refined in subsequent facility planning or pre-design phases. Lift station sites may be influenced by property type and willingness of property owner to negotiate with the Sewer Authority for acquisition. No property outreach is anticipated during this phase for lift station siting, although aesthetic considerations (ie. odors, architecture) will be given for neighboring properties in preparing cost estimates.
- 6.4 Provide concept level plans (plan view only) showing the recommended alignments of the collection system pipelines and the approximate location of lift stations to service existing users within the planning area. Concept plan will reflect potential growth within the planning area in approximating pipeline depths and sizes. Develop computer model of collection system interceptors (pipelines 10-inches in diameter and greater) to assist with pipeline and lift station sizing recommendations.
- 6.5 Provide cost estimates for the collection system layouts summarized by communities with separate estimates for transmission pipelines required to convey wastewater from each community to the treatment plant.

MWVCOG Responsibilities

- Provide input on pipeline and pump station layout feasibility (i.e. shallow rock, existing underground/overhead utilities, etc.) based on known conditions and available information.

Assumptions

- Use the 2017 Feasibility Study collection system layouts as a starting point.
- Engineer will utilize existing available topography data. It is assumed that the Oregon Department of Geology and Mineral Resources (DOGAMI) will be the primary source of the topography data with meter level accuracy. Surveying and geotechnical explorations will not be completed as a part of the master planning scope of services. Layouts will not be based on surveyed data.
- Layouts will be provided for the communities of Idanha, Detroit, Gates, and Mill City (future extensions within UGB only).
- Engineer cannot control property values, nor property owner's willingness to negotiate in good faith for acquisition of property for pipeline alignments or lift station sites.
- Final alignments and sites will depend on results from additional site investigations and reports prepared during the facilities planning or pre-design phases of the project.
- Consultant's opinions of probable cost represent Consultant's judgment as an experienced and qualified design professional. Since Consultant has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Owner's and other contractor's methods of determining prices, or over competitive bidding or market conditions, the Consultant cannot

and does not guarantee that proposals, bids, or actual construction cost will not vary from opinions of probable cost prepared by the Consultant. Opinion of probable cost will be an Association for the Advancement of Cost Engineering (AACE) Class 5 estimate.

- The Marion County and Linn County assessor mapping and database (in GIS format) will be utilized for approximate location of property lines and right-of-way boundaries.

Deliverables

- Draft write-up summarizing the collection system layouts and cost estimates. The final master plan report will have the TRC's comments incorporated.

TASK 7: WWTP AND DISPOSAL

Engineer Responsibilities

7.1 Site Selection and Evaluations

- Identify up to two potential treatment plant sites and two potential land application/storage/sub-surface disposal sites for each of the four communities. These sites are anticipated to be located within half a mile of each community's UGB boundary.
- Develop a decision matrix to narrow the list down to up to two treatment plant sites and two disposal sites recommended per sewer basin (ie. the Idanha/Detroit sewer basin and the Gates/Mill City sewer basin for a total of four sites). Criteria will be developed for and approved by the TRC.
- Prepare site evaluation materials for TRC Meeting #2 (TRC #2).
- Coordinate and lead the TRC #2 – Site Evaluation Workshop. The objective of this meeting will be an agreement on the two treatment plant sites and two disposal sites per sewer basin that will be investigated further.
- Perform site investigations at up to four disposal sites (See Task 7.3). Develop a second decision matrix (utilizing the site investigation data) to assist in recommending one treatment plant and one disposal site for each sewer basin.
- Prepare site evaluation materials for TRC Meeting #3 (TRC #3).
- Participate in the TRC #3 – Site Selection Workshop. The objective of this meeting will be for the TRC to select one treatment site and one disposal site for each sewer basin.

7.2 Responsible for the oversight of the services of *Shannon & Wilson* to evaluate the site geology and seismic hazards of up to four treatment plant sites as outlined in Attachment A.

7.3 Responsible for the oversight of the services of *GSI Water Solutions, Inc.* to provide hydrogeologic services related to identifying sites for infiltration of treated wastewater near the Oregon communities of Detroit, Gates, Idanha, and Mill City as outlined in Attachment B.

7.4 Treatment Options – For full compliant 3 Basin Rule permit and variance to the 3-Basin Rule permit:

- Develop up to three treatment options for the selected treatment and disposal sites. There will be at least one option for the “in compliance” with the three basin rule scenario, and at least one for the “not in compliance” scenario.
- Summarize pros and cons with a recommendation. Develop recommended steps for the Facilities Plans phase.

7.5 Disposal Options – For both with and without the Three Basin Rule modification:

- Develop up to three disposal options each for liquid and solids for the selected treatment and disposal sites.
- Summarize pros and cons with a recommendation. Develop recommended steps for the Facilities Plans phase.

7.6 Provide cost estimates for each treatment and disposal option developed in Tasks 7.4 and 7.5.

7.7 Prepare treatment and disposal evaluation materials for TRC Meeting #4 (TRC #4)

7.8 Coordinate and lead the TRC #4 – Treatment/Disposal Options Workshop. The objective of this meeting will be for the TRC to be informed of the options and next steps for finalizing the treatment and disposal options.

MWVCOG Responsibilities

- Review and comment on draft documents.
- Provide feedback to decision matrices.
- Provide feedback on developed options for treatment/disposal.

Assumptions

- Consultant's opinions of probable cost represent Consultant's judgment as an experienced and qualified design professional. Since Consultant has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Owner's and other contractor's methods of determining prices, or over competitive bidding or market conditions, the Consultant cannot and does not guarantee that proposals, bids, or actual construction cost will not vary from opinions of probable cost prepared by the Consultant. Opinion of probable cost will be an AACE Class 5 estimate.

Deliverables

- Draft write-up for the evaluation process, recommended options and recommended steps for the Facilities Plans phase. The final Master Plan report to have the TRC's comments incorporated.

TASK 8: DRAFT AND FINAL NORTH SANTIAM JOINT SEWER MASTER PLAN

Engineer Responsibilities

- 8.1 Draft Master Plan Report. Compile draft write-ups for the various tasks into a North Santiam Joint Sewer Master Plan Report.
 - An executive summary will be included as part of the plan. The executive summary will provide a high-level review of the important elements of the plan.
 - Appendices will be created that include all pertinent supporting documentation.
- 8.2 Address TRC Review Comments. Provide a draft Master Plan Report for comments to the TRC. Comments will be incorporated into a final report document for submission to the Oregon DEQ.
- 8.3 Submit the plan to Oregon DEQ and respond to comments from the DEQ. Response for one comment review is budgeted.
- 8.4 Address Reviewing Agency Comments. Comments will be incorporated into a final document.
- 8.5 Prepare final Master Plan Report.
- 8.6 Participate in the TRC meeting #5 (TRC#5) -- Draft Master Plan Review Workshop

MWVCOG Responsibilities

- Review and comment on draft report document.

Deliverables

- An electronic copy (PDF format) of the Draft Master Plan Report.
- Six hard copies and one electronic copy (PDF format) of the Final Master Plan Report.
- Project meeting agendas and minutes.

TASK 9: COMMUNICATION / PUBLIC OUTREACH*Engineer Responsibilities*

- 9.1 Provide up to 80 hours of support services for communication and/or public outreach as requested by MWVCOG.

MWVCOG Responsibilities

- Direct and request communication / public outreach services.

TASK 10: MASTER PLAN ADOPTION*Engineer Responsibilities*

- 10.1 Prepare a presentation and present at two Town Hall style meetings twice (4 total) during the duration of the Master Plan.
First, a progress presentation sometime after the planning criteria, but prior to the draft Master Plan Report is completed.
Second, after the draft report comments from the TRC have been incorporated, but prior to finalization.
- 10.2 Present final Master Plan to the approval authority for review and adoption.

Assumptions

- The same presentation may be used for each round of presentations at Town Hall and for the approval authority.

Deliverables

- Two presentations in PowerPoint and pdf format.

COMPENSATION AND SCHEDULE

As compensation for services to be performed by Engineer, the MWVCOG will pay Engineer a total not to exceed lump sum fee of **\$312,421** (dollars) as summarized below. The total authorized budget amount shall not be exceeded without authorization from the MWVCOG. For time and material tasks, these services will be provided and billed pending MWVCOG and NSJSTG written authorization only and using the Engineer's current title code rate schedule, which is updated annually in January.

NOTE: All sub-contractor invoices to be provided with any applicable Keller invoices.

Task	Description	Compensation
Lump Sum Basis		
1	Project Management	\$23,973
2	Data Collection	\$2,000
3	Mill City Sewer System Evaluation	\$69,213
4	Planning Criteria	\$13,225
5	Three Basin Rule Outreach / Regulatory Interaction	\$11,500
6	Collection System Layout	\$49,120
7	WWTP and Disposal	\$109,312
8	Draft and Final Master Plan	\$25,895
9	See below in T&M	\$ -
10	Master Plan Adoption	\$6,220
Direct Costs		\$1,963
Lump Sum Sub-Total		\$312,421
Time & Materials Basis		
1a	Monthly Task Force Meetings	\$9,975
9	Communication / Public Outreach	\$12,000
10a	Present to Town Hall Meetings	\$6,000
Time & Materials Sub-Total		\$27,975
Total		\$340,396

INTERGOVERNMENTAL AGREEMENT
Between
MARION COUNTY
and
MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
For
Contract Management of the North Santiam Sewer Master Plan (Phase II)

1. PARTIES TO AGREEMENT

This Agreement is made and entered into by and between Marion County (“County”), a political subdivision of the State of Oregon, and Mid-Willamette Valley Council of Governments (“COG”).

This agreement establishes the terms upon which County shall contract with COG to assist the North Santiam Joint Sewer Task Group in managing a contracted Firm to create a North Santiam Joint Sewer Master Plan and the pre-work necessary for the four wastewater treatment facilities plans (“Plan”).

In consideration of the mutual obligations and benefits set forth, the parties agree as follows:

2. WITNESSETH

- A. This Agreement is made pursuant to Marion County’s Economic Development Strategic Plan for projects implemented within Marion County that have economic development significance as defined in ORS 461.540. Funding is made possible through proceeds received from the Oregon Economic Development Video Lottery Program.
- B. County has received an allocation from the Oregon State Treasury’s Administrative Services Economic Development Fund, pursuant to the authority of ORS 461.500 et seq.
- C. The funds under this Agreement are subject to the Notice of Allocations, Application Procedures, ORS 461.500 et seq., and the Funding Approval, including any special conditions. Each of these regulations and the Funding Approval constitute part of this Agreement and are incorporated herein by reference.
- D. The Agreement is also subject to Marion County’s Economic Development Funding Criteria; regulatory changes; guidelines; and other official notices or clarification that may become available from time to time.
- E. County has reviewed the Scope of Work and determined the activities, as hereinafter defined, to be feasible and merit County funding.
- F. County and COG will negotiate a separate agreement for compensation for activities to be conducted in future phases.

Whereas, the County has agreed to provide up to **\$400,000.00** to COG from the allocation of funds the County receives from the State of Oregon Video Lottery Program. The total amount paid under this contract shall not exceed **\$400,000.00**. Request for payment shall be made according to the terms under Section 5.

3. OBLIGATIONS UNDER THE TERMS OF THIS AGREEMENT

The purpose of Phase I was to establish the terms and conditions, under which the COG will assist the North Santiam Joint Sewer Task Group or the North Santiam Sewer Authority (“NSJSTG”) in securing a firm (Firm) to create a North Santiam Joint Sewer Master Plan and preliminary work for four Wastewater Treatment Facilities plans (“Plan”). During Phase I a competitive Request for Proposal process was performed by COG to select a Firm to create the Plan for the NSJSTG. This phase has been completed and a Firm has been selected.

During Phase II, COG will enter into a contract with a design and engineering firm to create the Plan which will connect the communities of Detroit, Gates, Idanha and Mill City (“Cities”) under a locally governed joint sewer task group. Phase II proposed budget and tasks from the Firm are described and attached as Exhibit A.

Now, therefore, the County and COG mutually covenant and agree as follows:

A. UNDER THE TERMS OF THIS AGREEMENT, COG SHALL:

1. Enter into a contractual agreement with the selected Firm to create the North Santiam Joint Sewer Master Plan and perform preliminary work for four Wastewater Treatment Facilities plans. County and NSJSTG must formally approve of the negotiated agreement, including reporting and compensation terms prior to contract execution.
2. Under the guidance of County project manager, assist with the implementation of the NSJSTG sewer project vision.
3. Coordinate and facilitate a technical advisory group with the NSJSTG and County to provide input on development of the Plan.
4. Provide contract and Plan technical assistance to the NSJSTG, assist in contract management, contract oversight, and contract monitoring of the Firm.
5. Assist with and coordinate correspondence and reports created for the NSJSTG and the County.
6. Assist NSJSTG to facilitate completion, approval, and adoption of the North Santiam Joint Sewer Master Plan and preliminary work for the four Wastewater Treatment Facilities plans, one of which is fully compliant with ORS 340-041-0350 and a second scenario in which a conceptual plan is vetted.
7. Provide monthly updates to the NSJSTG for their regularly scheduled meetings. Monthly updates shall include status of the Plan development and next steps.
8. Provide County the annual COG Board adopted fee schedule no later than July 15 each year.

B. UNDER THE TERMS OF THIS AGREEMENT, COUNTY SHALL:

1. Reimburse COG for the work outlined in this Agreement. Hourly rate and fees shall be determined by COG according to the fee schedule adopted by the COG Board on June 30 each year.
2. Distribute funds in advance to COG for work performed by the Firm. COG shall pay the Firm for all authorized services as stated in the contractual agreement between COG and the Firm.
3. County project manager will guide and assist COG with the implementation of the NSJSTG sewer project vision.
4. Provide technical assistance, to the NSJSTG and assist in contract management of the Firm to facilitate the Plan.

5. Participate and assist with coordination and facilitation of a technical advisory group with the NSJSTG to provide input on Plan development.
6. Evaluate the effectiveness of the project using the following criteria:
 - a. Negotiate and enter into an agreement with the Firm for Plan development and acceptance of the Plan.
 - b. Present draft contract to NSJSTG for final approval and recommendation to proceed to Phase III, to be approved by Marion County.
7. Negotiate Phase III implementation tasks with COG (subject to change) under a separate cost agreement to be negotiated after completion of Phase II.

Failure to comply with these reporting requirements may result in the suspension of funds, or a termination of the Agreement.

4. TERM AND TERMINATION

- A. This Agreement shall be effective for the period of execution through **December 31, 2022** unless sooner terminated or extended as provided herein.
- B. This Agreement may be extended for an additional period of two years by agreement of the parties. Any modifications in the terms of such amendment shall be in writing.
- C. This agreement may be terminated by mutual consent of both parties at any time or by either party upon 30 days' notice in writing, and delivered by mail or in person. Any such termination of this agreement shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.
- D. County may terminate this agreement effective upon delivery of written notice to COG or at such later date as may be established under any of the following conditions:
 1. If funding from federal, state, or other sources is not obtained or continued at levels sufficient to allow for the purchase of the indicated quantity of services. This agreement may be modified to accommodate a reduction in funds.
 2. If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this agreement or are no longer eligible for the funding proposed for payments authorized by this agreement.
 3. If any license, certificate, or insurance required by law or regulation to be held by COG to provide the services required by this agreement is for any reason denied, revoked or not renewed.
 4. If COG fails to provide services called for by this agreement within the time specified herein or any extension thereof.
 5. If COG fails to perform any of the provisions of this agreement or so fails to pursue the work as to endanger the performance of this agreement in accordance with its terms and after written notice from County, fails to correct such failure(s) within ten (10) days or such longer period as the County may authorize.

5. REPORTING AND COMPENSATION.

- A. The total amount available for payment to COG under Section 3.A, and for authorized reimbursement for work under Phase II is not to exceed **\$385,396.00**.
- a. Up to **\$45,000.00** shall be paid to COG for contract management and oversight of the contract with the Firm. Payment shall be made monthly upon receipt of an invoice and proof of expenditures. Invoices must include the hourly rate, hours worked, and a summary of tasks completed to date by COG and a detail of tasks completed by the Firm. COG shall bill the County using the hourly fee scheduled referenced in Section 3.B.1.
- b. Up to **\$340,396.00** shall be paid to COG for reimbursement to the Firm for expenses incurred. Payment shall be made upon contract execution and receipt of an invoice.
- c. Up to **\$14,604.00** will be available to COG for any unanticipated expenses by COG or the Firm.
- B. County shall pay COG for completing all Services and delivering all Goods required under this contract, according to terms described in Section 3.
- C. COG may be required to provide periodic reports in person to the Marion County Board of Commissioners during their weekly board session or during a scheduled work session, as requested.
- D. Requests for payment shall be submitted to Marion County Community Services Department, PO Box 14500, Salem, OR 97309 or CSReporting@co.marion.or.us. Final invoices are due no later than January 31, 2021, or 30 days after Plan completion, whichever comes first.
- E. **REPORTING REQUIREMENTS:** COG shall provide monthly reports, to include, but not limited to, invoices related to hours assigned to the project and copies of all Technical Advisory Committee (TAC) memorandums to NSJSTG and County.

COG shall also provide monthly updates to the NSJSTG and County project manager for their regularly scheduled meetings. Update shall include status of the Plan development and identify next steps.

6. FUNDS AVAILABLE AND AUTHORIZED

County certifies at the time they request services that sufficient funds are available and authorized for the services requested under this agreement. If County modifies, reduces, or eliminates funding in a manner that reduces the funding allocation for the Plan, COG agrees to abide by any such decision, including termination of this Agreement.

7. COMPLIANCE WITH APPLICABLE LAWS

The parties agree that both shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this agreement. The parties agree that this agreement shall be administered and construed under the laws of the state of Oregon.

8. NONDISCRIMINATION

The parties agree to comply with all applicable requirements of Federal and State civil rights and rehabilitation statutes, rules and regulations in the performance of this agreement.

9. HOLD HARMLESS

To the extent permitted by Article XI, Section 7 of the Oregon Constitution and by the Oregon Tort Claims Act, each party agrees to waive, forgive, and acquit any and all claims it may otherwise have against the other and the officers, employees, and agents of the other, for or resulting from damage or loss, provided that this discharge and waiver shall not apply to claims by one party against any officer, employee, or agent of the other arising from such person's malfeasance in office, willful or wanton neglect of duty, or actions outside the course and scope of his or her official duties.

10. INSURANCE

Each party shall insure or self-insure and be independently responsible for the risk of its own liability for claims within the scope of the Oregon tort claims act (ORS 30.260 TO 30.300).

11. MERGER CLAUSE

Parties concur and agree that this agreement constitutes the entire agreement between the parties. No waiver, consent, modification or change to the terms of this agreement shall bind either party unless in writing and signed by both parties. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this agreement. Parties, by the signatures below of their authorized representatives, hereby agree to be bound by its term and conditions.

12. NOTICES

Any notice required to be given the COG or County under this Agreement shall be sufficient if given, in writing, by first class mail or in person as follows:

For COG:

Mid-Willamette Valley Council
of Governments
Attn: Renata Wakeley
100 High St SE, Suite 200
Salem, OR 97301

For County:

Marion County Community
Services Department
Attn: Krista Ulm
PO Box 14500
Salem, OR 97309

This agreement and any changes, alterations, modifications, or amendments will be effective when approved in writing by the authorized representative of the parties hereto as of the effective date set forth herein.

In witness whereof, the parties hereto have caused this agreement to be executed on the date set forth below.

**MARION COUNTY SIGNATURE
BOARD OF COMMISSIONERS:**

Chair Date

Commissioner Date

Commissioner Date

Authorized Signature: _____
Department Director or designee Date

Authorized Signature: _____
Chief Administrative Officer Date

Reviewed by Signature: _____
Marion County Legal Counsel Date

Reviewed by Signature: _____
Marion County Contracts & Procurement Date

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS

Authorized Signature: _____ Date: _____

Title: Executive Director _____



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: December 17, 2019

FROM: Sean O'Day
Executive Director

RE: Goal Setting / Strategic Planning Facilitation

Issue

Should the Board authorize the Executive Director to enter into contracts with goal setting / strategic planning facilitators, whereby the facilitator will agree to provide facilitation services to Mid-Willamette Valley Council of Governments (COG) members on a fixed fee in exchange for the COG marketing the service to its members?

Background

For several years the COG has assisted members at no additional cost with “goal setting” which amounted to a review of the previous year’s goals and tasks, and an update of that “wish list” for the following year. Recently, members have been requesting a greater scope of service that would involve multi-day goal setting facilitations, group planning sessions, and finalized reports. Although appropriate and an effort that should be encouraged, the demand for that type of service exceeds the COG’s current capacity.

Consequently, to meet this need, the Executive Director explored various options with the Executive Committee in March, June, and September of 2019, which concluded that the best way to meet this member demand was in the form of a fixed-fee arrangement with private contractors who already perform such services.

Recommendation

The Board authorize the Executive Director to enter into contracts with goal setting / strategic planning facilitators under substantially the terms and conditions set out in the attached form of agreement.

Discussion

Strategic planning and goal setting, when done right, can result in incredible accomplishments. As the COG works to strengthen member governments, it should encourage members to engage in meaningful strategic planning that organizes a governing available resources into alignment with projects/tasks/initiatives, that are designed to achieve the governing body’s agreed upon objectives.

Given available resources and to avoid competition with the private sector, the best way to encourage and enable members to engage in facilitate strategic planning is through a three part process.

Part 1: Education of members on what strategic planning is and is not and why it's important.

Part 2: Facilitated strategic planning session, that results in a 2 to 5 year strategic plan that aligns ends (objectives), ways (projects/initiatives), and means (resources).

Part 3: Periodic check in to refresh initiatives and goals during the life of the plan.

Currently, the COG staff has the ability to do all three parts, but not the time to do so. Because of potential for turnover and to manage time, staff recommends the COG enter into a contract with facilitators to conduct Part 2. To encourage member to engage in strategic planning, staff recommends the COG continue to provide Part 1 and Part 3 with existing staffing resources as a benefit of membership (i.e. no additional fee).

STRATEGIC PLANNING MARKETING AGREEMENT

This Agreement is made between:

**THE MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS,
an Oregon Intergovernmental Agency,
("MWVCOG")**

and

**an Oregon corporation
("Facilitator")**

1. MWVCOG'S OBLIGATIONS

- 1.1 MWVCOG shall market Facilitator's strategic planning services set out in this agreement on a non-exclusive basis to its members.
- 1.2 When contacted by a member, MWVCOG will refer the member to Facilitator for strategic planning services.
- 1.3 MWVCOG has agreed to forego a referral fee or compensation in exchange for Facilitator providing MWVCOG members a discounted rate from that normally charged to public entities for similar services.

2. Facilitator' OBLIGATIONS

- 2.1. Facilitator shall provide strategic planning services to the MWVCOG's member entities on the following fixed-flat rate fee basis:

Evening / Half Day (4 Hours)	\$1,500
One Day (8 Hours)	\$3,000
Evening Plus Full Day (10-12 Hours)	\$3,500

The fees are inclusive of travel time, expenses, and time spent both preparing for and conducting the strategic planning session. Preparation includes conferring with key leaders (manager, elected officials, other stakeholders) to design a process and format that will meet the needs, goals, and objectives of each member.

- 2.2 Once the MWVCOG refers an entity, Facilitator will be responsible for working with the entity to schedule all relevant meetings as well as arrange for billing and payment.
- 2.3 Facilitator agrees that no person shall, on the grounds of race, color, religion, creed, sex, marital status, familial status or domestic partnership, national origin, age, mental or physical disability, sexual orientation, gender identity or source of income, suffer discrimination in the performance of this Agreement or the services provided for herein. Facilitator agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules

and regulations. Further, Facilitator agrees not to discriminate against a disadvantaged business enterprise, minority-owned business, woman-owned business, a business that a service-disabled veteran owns, or an emerging small business enterprise certified under ORS 200.055, in awarding subcontracts as required by ORS 279A.110.

3. GENERAL PROVISIONS

- 3.1. This is a non-exclusive Agreement. MWVCOG is not obligated to assign additional work to Facilitator and is free to engage the similar services of other contractors in its sole discretion.
- 3.2. Facilitator shall not assign, subcontract, or sublet any interest in this Agreement, it being understood that Facilitator services are professional, and Facilitator was chosen based on the quality and suitability of those professional services.
- 3.3. This Agreement embodies the full and complete understanding of the parties respecting the subject matter hereof. It supersedes all prior agreements, negotiations, and representations between the parties, whether written or oral.
- 3.4. This Agreement may be amended only by written instrument executed with the same formalities as this Agreement.
- 3.5. This Agreement shall be governed by the laws of the State of Oregon without regard to conflict of laws principles. Exclusive venue for litigation of any action arising under this Agreement shall be in the Circuit Court of the State of Oregon for Marion County unless exclusive jurisdiction is in federal court, in which case exclusive venue shall be in the federal district court for the district of Oregon. Each party expressly waives any and all rights to maintain an action under this Agreement in any other venue, and expressly consents that, upon motion of the other party, any case may be dismissed or its venue transferred, as appropriate, so as to effectuate this choice of venue.
- 3.6. MWVCOG shall defend, save, hold harmless and indemnify Facilitator and its officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities costs and expenses of any nature resulting from or arising out of, or relating to the activities of MWVCOG or its officers, employees or agents under this Agreement.
- 3.7. Facilitator shall defend, save, hold harmless and indemnify MWVCOG and its officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities costs and expenses of any nature resulting from or arising out of, or relating to the activities of Facilitator or its officers, employees or agents under this Agreement
- 3.9. Neither party to this Agreement shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other or the other's officers, employees or agents.
- 3.10. If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permitted the intent of MWVCOG and Facilitator set forth in this Agreement.

4. REMEDIES

- 4.1 In the event MWVCOG is in default of this Agreement, Facilitator' sole remedy shall be limited to termination of this Agreement.
- 4.2 In the event Facilitator is in default of this Agreement, MWVCOG's sole remedy shall be limited to termination of this Agreement.

5. TERM AND TERMINATION

5.1 Term

- 5.1.1 This Agreement shall be effective as of the date of the last signature of the parties and shall continue in full force and effect until June 30, 2020, unless sooner terminated as provided in Subsection 6.2.
- 5.1.2 This Agreement may be extended upon mutual written consent of the parties.

5.2 Termination

- 5.2.1 Facilitator and MWVCOG may terminate this Agreement by mutual agreement at any time.
- 5.2.2 Facilitator and MWVCOG may, upon not less than thirty (30) days' prior written notice, terminate this Agreement for any reason deemed appropriate in their sole discretion.
- 5.2.3 Either party may terminate this Agreement, with cause, by not less than fourteen (14) days prior written notice if the cause is not cured within that fourteen (14) day period after written notice. Such termination is in addition to and not in lieu of any other remedy at law or equity.

6. NOTICE

- 6.1 Whenever notice is required or permitted to be given under this Agreement, such notice shall be given in writing to the other party by personal delivery, by sending via a reputable commercial overnight courier, by mailing using registered or certified United States mail, return receipt requested, postage prepaid, or by electronically confirmed at the address or facsimile number set forth below:

If to Facilitator:

If to MWVCOG:

ATTN: Executive Director
100 High St. SE, Suite 200
Salem, OR 97301
Phone: 503-588-6177
Email: mwwcog@mwwcog.org

7. WAIVER OF BREACH - One or more waivers or failures to object by either party to the other's breach of any provision, term, condition, or covenant contained in this Agreement shall not be construed as a waiver of any subsequent breach, whether or not of the same nature.

8. Facilitator' COMPLIANCE WITH TAX LAWS

8.1 Facilitator represents and warrants that:

8.1.1 Facilitator shall, throughout the term of this Agreement, including any extensions hereof, comply with:

- (i) All tax laws of the State of Oregon, including, but not limited to, ORS 305.620 and ORS chapters 316, 317, and 318;
- (ii) Any tax provisions imposed by a political subdivision of the State of Oregon applicable to Facilitator; and
- (iii) Any rules, regulations, charter provisions, or ordinances that implement or enforce any of the foregoing tax laws or provisions.

8.1.2 Facilitator, for a period of no fewer than six (6) calendar years preceding the Effective Date of this Agreement, has faithfully complied with:

- (i) All tax laws of the State of Oregon, including, but not limited to, ORS 305.620 and ORS chapters 316, 317, and 318;
- (ii) Any tax provisions imposed by a political subdivision of the State of Oregon applicable to Facilitator; and
- (iii) Any rules, regulations, charter provisions, or ordinances that implement or enforce any of the foregoing tax laws or provisions.

8.2 Facilitator' failure to comply with the tax laws of the State of Oregon and all applicable tax laws of any political subdivision of the State of Oregon shall constitute a material breach of this Agreement. Any material breach of this Agreement shall entitle MWVCOG to terminate this Agreement and to seek damages and any other relief available under this Agreement, at law, or in equity.

IN WITNESS WHEREOF the parties have caused this Agreement to be signed in their respective names by their duly authorized representatives as of the dates set forth below.

**THE MID-WILLAMETTE VALLEY
COUNCIL OF GOVERNMENTS**

The Facilitator Group, Inc

By: _____
Sean E. O'Day, Executive Director

By: _____

Date: _____

Date: _____



MEMORANDUM

TO: **Board of Directors** **DATE: December 17, 2019**
Mid-Willamette Valley Council of Governments

FROM: **Executive Committee**
Mid-Willamette Valley Council of Governments

SUBJECT: Proposed COG Membership Fees and Economic Development District Assessment for FY 2020-21

Issue

- A. Which Member Dues schedule for FY 2020-21 should the Board adopt?
- B. Which Economic Development District Assessment for FY 2020-21 should the Board adopt?
- C. Should the Board create an Affiliate Membership category for other government agencies?
- D. Should the Board create a Business Partner program?

Background

Section XIII of the Agreement of the Mid-Willamette Valley Council of Governments (COG) requires that the Executive Committee recommend a participation cost structure to the Board annually, no later than March. Since most jurisdictions are well into their budget cycle by then, the Board has directed that dues be established at the December meeting prior to them going into effect the following July.

Historically the methodology approved by the Board of Directors for calculating member dues is as follows:

A per capita rate is established (currently 0.460) and multiplied by the jurisdiction's population as determined by Portland State Population Research Center. Because dues are required to be approved by the Board of Directors at their December meeting, the data we use is the most current available from published sources in November. The per capita rate is adjusted each year by the Consumer Price Index (CPI) for all wage earners in the Seattle area. The minimum and maximum amounts were previously established by the Board of Directors and have been adjusted by the CPI beginning in FY 2007-08. In 2019, the Board voted to use the Seattle CPI-W as the index (because the Bureau of Labor and Statistics was discontinuing the Portland-Salem CPI-W).

Historically, the methodology for calculating Economic Development District (EDD) Local Share Assessment is as follows:

Using the total amount of cash match required for the EDA grant, (currently \$75,000 for FY 2019-20), the total amount required is multiplied by the ratio of the jurisdiction's population to total population.*

In FY 2012-13, a concession was granted to Polk County to reduce their member dues to \$5,000 because of loss of timber funds that created a financial hardship on the County. It was agreed that Polk County member dues would increase at least 5 percent (regardless of the CPI) until the dues deficit was made up. Currently, the deficit amounts to \$14,327.

In December 2018, the Board created a subcommittee (known as the Membership Subcommittee) to evaluate and report back to the Board on what changes, if any, should be made to the dues and EDD assessment schedule. The committee's report is attached to this memorandum.

On December 4, 2019, the Executive Committee reviewed the Membership Subcommittee's reports and recommendations and compared what the dues and EDD assessment would be under the current methodology (Option A on the attached tables) and what those would be under Committee's recommendation (Option B on the attached tables)

Recommendation

- For Dues, the Board adopt Option B with a target dues figure of \$259,253 to defray expenses of the COG's operations.
- For the EDD assessment, the Board adopt Option B, which raises the minimum by the Seattle CPI and includes making the assessment against the other members that receive benefits from the COG's EDD activities.
- That the Board direct staff to create a non-profit affiliate and for-profit business partner fee for entities who desire to support and use certain types of COG services.

Discussion

A. Dues.

The Executive Committee agrees with the recommendation of the Subcommittee that the dues methodology remain the same (including the Polk County adjustment) and that dues be set with a target revenue figure in mind (which could go up or down each year based on the COG's needs), as opposed to the current practice of applying a CPI escalator to the prior year's dues. This is a more mindful approach that calls the Board's attention to the overall operating expenses of the organization.

With respect to the recommended target figure of \$259,253, that amount represents approximately 4% of the COG's \$5.9 million in revenue (based on FY 19-20). That target is approximately \$20,000 more than what would be generated if the Board were to simply increase rates by the 2.2% (which is the Seattle CPI for the last year). The Executive Committee believes this additional \$20,000 is warranted to help start new services (such as human resource services for members) as well as contribute to the fund balance reserve, which is currently well below the target figure. (See the Fund Balance Memorandum and Resolution.)

**Incorporated populations are not netted out for each County for the EDD Assessment as they are in Membership Dues.*

Finally, the Executive Committee agreed that member dues should not be a regularly planned source to cover expenses (losses) for fee-for-service programs, and that such fees should be set to not only fully recover costs, but could also generate some revenue that would be put towards program operating reserve.

B. EDD Assessment

The Executive Committee agrees with the Subcommittee's recommendation that there should be no change to the current methodology used to establish the EDD assessment, and in the interest of fairness to add the other eligible members that benefit from the EDD activities (WESD, Chemeketa Community College, Salem-Keizer School District, and the Transit District). In addition, the Executive Committee agrees with the Subcommittee's recommendation to raise the minimum assessment by the Seattle CPI on an annual basis.

C. Affiliate and Business Partner Program

The Executive Committee recommends the Board establish a non-profit affiliate and for-profit business partner program that would allow and strengthen partnerships between the COG and regional non-profits and for-profit companies. The Executive Committee recommends the Board direct staff to return with program guidelines that would clearly define who was eligible and what benefits would be provided under both programs. As a starting point for consideration the Executive Committee discussed the following parameters:

	Individual / Non-Profit Affiliate	For-Profit Business Partner
Cost	\$500	\$500
Eligibility	Non-profit regional organizations and statewide intergovernmental associations that either have government representation on their boards (i.e. SEDCOR, Travel Salem, LOC, AOC, OSBA) or that partner with the COG in the delivery of its programs and services (i.e. Boys and Girls Club) This category would also be available to individuals in organizations who work regularly with the COG (i.e. Regional Solutions Coordinator).	Any for-profit Business that does business with the public entities that make up membership in the COG.
Scope of Services	<p>Affiliates would receive all COG publications, member pricing for training and events, and member rates for fee-for-service programs that were also offered to non-member entities (i.e. GIS, transportation modeling, etc.).</p> <p>Affiliate members would also receive recognition on the COG website. Affiliate members would not be eligible to participate in the COG's fee for service programs that are limited to government entities (i.e. recruitments, strategic planning, etc.).</p>	<p>Business Partners would receive all COG publications, member pricing for training and events, and member rates for fee-for-service programs that were also offered to non-member entities (i.e. GIS, transportation modeling, etc.).</p> <p>Business Partners would also receive recognition in COG publications and website. Business Partners would not be eligible to participate in the COG's fee for service programs that are limited to government entities (i.e. recruitments, strategic planning, etc.).</p>

Attachments:

Dues Schedule (With Option A- status quo, and Option B- recommended)
 EDD Assessment Schedule (With Option A- status quo, and Option B- recommended)
 Membership Committee Report

**Mid-Willamette Valley Council of Governments
FY 2020-21 Membership Dues**

Option A **Option B**

July 2017 Population	July 2018 Population	Jurisdiction	FY 2019-20 COG Dues	Proposed FY 2020-21 COG Dues	Revenue Target Methodology FY 2020-21
96,370	98,497	MARION COUNTY (less member cities)	\$ 33,623	\$ 34,363	37,234
137,225	138,825	City of Salem (Marion Co.)*	See Below	See Below	
3,970	3,975	City of Aumsville	1,894	1,936	2,098
980	985	City of Aurora	1,076	1,100	1,192
210	210	City of Detroit	1,076	1,100	1,192
985	985	City of Donald	1,076	1,100	1,192
442	440	City of Gates	1,076	1,100	1,192
2,570	2,585	City of Gervais	1,226	1,259	1,364
3,300	3,305	City of Hubbard	1,574	1,610	1,745
78	78	City of Idanha	1,076	1,100	1,192
3,235	3,245	City of Jefferson	1,543	1,580	1,712
38,345	38,505	City of Keizer	18,291	18,752	20,319
3,400	3,415	City of Mt. Angel	1,622	1,663	1,802
435	435	City of St. Paul	1,076	1,100	1,192
370	375	City of Scotts Mills	1,076	1,100	1,192
10,070	10,325	City of Silverton	4,803	5,028	5,448
7,770	7,810	City of Stayton	3,706	3,803	4,121
2,755	2,890	City of Sublimity	1,314	1,407	1,525
2,005	2,085	City of Turner	1,076	1,100	1,192
24,685	24,760	City of Woodburn	11,775	12,058	13,066
18,160	18,730	POLK COUNTY (less member cities)	6,922	7,268	7,875
26,225	26,440	City of Salem (Polk Co.)*	See Below	See Below	
15,570	15,830	City of Dallas	7,427	7,709	8,353
950	955	City of Falls City	1,076	1,100	1,192
9,340	9,370	City of Independence	4,455	4,563	4,944
9,855	9,890	City of Monmouth	4,701	4,816	5,219
870	885	City of Willamina (Polk Co.)**	See Below	See Below	
26,820	27,275	YAMHILL COUNTY (less member cities)	12,793	13,283	14,393
1,640	1,655	City of Amity	1,076	1,100	1,192
2,205	2,270	City of Carlton	1,076	1,105	1,197
2,670	2,720	City of Dayton	1,274	1,325	1,436
3,225	3,230	City of Dundee	1,538	1,573	1,704
4,095	4,105	City of Lafayette	1,953	1,999	2,166
33,665	33,810	City of McMinnville	16,058	16,465	17,841
23,480	23,795	City of Newberg	11,200	11,588	12,557
6,185	6,190	City of Sheridan	2,950	3,015	3,267
1,240	1,275	City of Willamina (Yamhill Co.)**	See Below	See Below	
1,075	1,090	City of Yamhill	1,076	1,100	1,192
		SPECIAL DISTRICTS			
5,359	5,693	Salem Area Transit District	2,556	2,772	3,004
10,507	9,818	Chemeketa Community College	5,012	4,781	5,181
40,999	41,177	Salem/Keizer School District	19,557	20,053	21,729
		Willamette ESD	1,076	1,100	1,192
		Chehalem Park & Recreation District	1,076	1,100	1,192
		Marian SWCD	-	1,100	1,192
5,556	5,454	Confederated Tribes of the Grand Ronde Community of Oregon	2,650	2,656	2,878
163,450	165,265	*City of Salem Total Fee	33,623	34,363	37,235
2,110	2,160	**City of Willamina Total Fee	1,076	1,100	1,192
		TOTALS	\$ 232,180	\$ 239,293	\$ 259,293

**Mid-Willamette Valley Community Development Partnership Board
Economic Development District
FY 2020-21 Proposed Assessment**

July 2017 Population	Percent of Pop.	July 2018 Population	Percent of Pop.	Jurisdiction	FY 2019-20 Assessment	<u>Option A</u>	<u>Option B</u>
						Current Methodology FY 2020-21 Assessment	Adjusted Methodology FY 2020-21 Assessment
339,200	36.99%	344,035	37.08%	Marion County	27,407	27,475	27,176
81,000	8.83%	82,100	8.85%	Polk County	6,543	6,557	6,486
106,300	11.59%	107,415	11.58%	Yamhill County	8,587	8,580	8,487
3,970	0.43%	3,975	0.43%	City of Aumsville	319	319	315
980	0.11%	985	0.11%	City of Aurora	150	150	153
210	0.02%	210	0.02%	City of Detroit	150	150	153
985	0.11%	985	0.11%	City of Donald	150	150	153
485	0.05%	485	0.05%	City of Gates	150	150	153
2,570	0.28%	2,585	0.28%	City of Gervais	207	207	205
3,300	0.36%	3,305	0.36%	City of Hubbard	267	267	264
140	0.02%	140	0.02%	City of Idanha	150	150	153
3,235	0.35%	3,245	0.35%	City of Jefferson	259	259	257
38,345	4.18%	38,505	4.15%	City of Keizer	3,097	3,075	3,042
3,400	0.37%	3,415	0.37%	City of Mt. Angel	274	274	271
435	0.05%	435	0.05%	City of St. Paul	150	150	153
163,480	17.83%	165,265	17.81%	City of Salem	13,211	13,196	13,053
370	0.04%	375	0.04%	City of Scotts Mills	150	150	153
10,070	1.10%	10,325	1.11%	City of Silverton	815	822	814
7,770	0.85%	7,810	0.84%	City of Stayton	630	622	616
2,755	0.30%	2,890	0.31%	City of Sublimity	222	230	227
2,005	0.22%	2,085	0.22%	City of Turner	163	163	161
24,685	2.69%	24,760	2.67%	City of Woodburn	1,993	1,978	1,957
15,570	1.70%	15,830	1.71%	City of Dallas	1,260	1,267	1,253
950	0.10%	955	0.10%	City of Falls City	150	150	153
9,340	1.02%	9,370	1.01%	City of Independence	756	748	740
9,855	1.07%	9,890	1.07%	City of Monmouth	793	793	784
1,640	0.18%	1,655	0.18%	City of Amity	150	150	153
2,205	0.24%	2,270	0.24%	City of Carlton	178	178	176
2,670	0.29%	2,720	0.29%	City of Dayton	215	215	213
3,225	0.35%	3,230	0.35%	City of Dundee	259	259	257
4,095	0.45%	4,105	0.44%	City of Lafayette	333	326	322
33,665	3.67%	33,810	3.64%	City of McMinnville	2,719	2,697	2,668
23,480	2.56%	23,795	2.56%	City of Newberg	1,897	1,897	1,876
6,185	0.67%	6,190	0.67%	City of Sheridan	496	496	491
2,110	0.23%	2,160	0.23%	City of Willamina	170	170	169
1,075	0.12%	1,090	0.12%	City of Yamhill	150	150	153
5,360	0.58%	5,454	0.58%	Confederated Tribes of the Grand Ronde Community of Oregon	430	430	425
				Marion SWCD			153
				Chemeketa Community College			153
				Salem/Keizer School Dist			153
				Salem Area Transit District			153
				WESD			153
<u>917,115</u>	<u>100.00%</u>	<u>927,854</u>	<u>100.00%</u>	TOTALS	\$ 75,000	75,000	75,000



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: November 17, 2019

FROM: Membership/Dues Committee

RE: Final Report on Dues Structure

Background

In December 2018, the Board created a Membership/Dues Committee to evaluate to undertake a review of the COGs current practices with respect to its membership dues. The Board appointed Ms. Jackie Frankie, Vice Chair, to chair the committee, which was made up of appointed officials (managers) who had volunteered to serve on the Committee: specifically, John Lattimer from Marion County (later replaced by Lisa Trauernicht), Steve Powers from Salem, Mac Corthell from Falls City, Kenna West from Willamina, and Amber Mathiesen from Mount Angel.

The specific task of the Committee was to evaluate and make recommendations on:

- The methodology used to establish member dues;
- How dues revenues should be spent;
- The methodology used to establish the Economic Development District (EDD) assessment;
- Whether the COG should establish additional membership categories for other government entities (i.e. ORS 190 entities) and if so what methodology to apply, and what programs and services should be available to them;
- Whether the COG should establish a business partner program whereby private sector entities desiring to partner with the COG could pay a fee, and if so what fee to charge and what services to provide; and
- Any other matters the committee identifies warranting review and the Board's consideration.

Discussion

The Committee met three times over the course of nine months. It began its work by reviewing the current program offerings, financial structure of the Council of Governments, the historical use of dues revenues, and dues practices of other regional governments. The Committee carefully examined the current dues and EDD assessment structures and considered numerous alternatives. After much thoughtful evaluation and discussion, the committee arrived at the following conclusions/recommendations to the implied questions in the task presented.

By what percentage or fixed amount should member dues contribute to the fixed operating costs of the operation (admin costs)?

Dues currently pay for approximately 20% of the total administrative costs. The remainder is charged to other program areas (transportation, business lending, community development, etc.). Administrative costs are paid using a formula that assesses each program area a fee based on the total number of full-time equivalent (FTE) assigned to that program area. Consequently, an increase to the amount of dues going towards administration would require budgeting more FTE in the member services department (where the member dues are derived). The committee does not recommend any changes to this arrangement.

Should member dues be used to offset the costs of individualized member programs? What other purposes should member dues be put towards?

Dues should not be used to subsidize costs of programs that provide individual specific membership benefits (i.e. recruiting, goal setting, charter review, land use planning, etc.) Rather, the cost of those programs that provide members a specific benefit should be recouped in the form of fees, that should be set at a level designed to cover that program area expenses and builds an operating reserve so that member dues are used as a last resort to assist those programs during difficult financial times. However, given the low percentage of administrative costs that member dues currently cover, the Committee recognizes that dues revenue be used to build an operating reserve that can be used for both unforeseen financial challenges in other program areas as well as funds to be used to start up new member services, discussed more below.

What services should be covered by dues?

Dues should be used to start new programs and to pay for activities that strengthen the region generally and benefit the membership as a whole, such as publications, training, annual dinner. As discussed above, dues should not be used to cover the costs in whole or in part to pay for specialized services that specifically benefit an individual member (such as goal setting, recruitments, evaluations, etc.).

What services should be provided on a fee-for-service basis?

Any service that is specialized and tailored to provide a direct benefit to the member should be paid for on a fee-for-service model such as land use planning, attorney services, strategic planning, human resources, etc. As noted above, the Committee recommends fees for those programs be set at levels that allow the program to build its own operating reserve to cover expenses during leaner times. Although dues are an appropriate source to cover program losses, they should be used as a last resort and not on a regular or recurring basis.

What methodology should be employed when setting dues? (flat rate, current methodology, budget, tax rate, etc.).

The Committee does not recommend any change to the current methodology to determine dues, provided however, that rather than increase dues by a percentage based on CPI, the dues should be based on a target revenue figure (which can go up or down) based upon the estimated costs of providing member services plus an additional amount needed for other purposes, such as building operating reserves, or generating funds to support new initiatives.

What methodology should be employed when setting the EDD assessment?

The Committee does not recommend any change to the current methodology to determine the EDD assessment, provided however, the methodology used should raise the amount of money needed to provide a local match to the EDD grant (currently \$75,000) and should be based upon population for member cities and counties. The minimum fee should be set at \$150 and increased each year based on CPI (using the Seattle Index). The methodology should include an assessment for special districts that obtain benefits from the EDD (WESD, Transit District, Chemeketa, and the School District) at a rate of \$150 as well.

New Question: Should the COG establish a “dues” category for non-profit organizations, intergovernmental entities, and private sector organizations that desire to participate in COG programs and services?

Yes. The COG is a member of several regional entities, such as SEDCOR and Travel Salem, and providing a membership category for those types of entities in the COG would allow for in-kind reciprocal memberships with them and other similar entities (i.e. chambers of commerce, LOC, AOC, etc.). The COG should also create a membership category for other 190 entities (such as MINET) that desire access to the COG’s publications, training, and fee-for-service services. Finally, the COG should create a business partner program for businesses (such as PGE), that desire to affiliate with and support the region. Such business partners would have access to COG events and publications, but not fee-for-service services.



MEMORANDUM

TO: **Board of Directors** **DATE: December 17, 2019**
Mid-Willamette Valley Council of Governments

THRU: **Sean O'Day**
Executive Director

FROM: **Greg Smith**
Finance Director

SUBJECT: Resolution No. 2019-10 Fund Balance Target for FY 2020-21

Issue

Should The Mid-Willamette Valley Council of Governments shall establish a Fund Balance Target of \$588,723 for FY 2020-21?

Background

On October 21, 2014 the Board approved a Reserve Policy establishing a target for Fund Balance Reserves. On March 20, 2018 the Board adopted Resolution No. 2017-04 amending the Reserve Policy that:

- Sets a fund balance target each year in an amount equal to three month's operating expense;
- Adopts, by resolution at the December Board meeting a fund balance target for the subsequent year based upon figures from the most recent June 30 year-end;
- Funds the target balance with undesignated carryover/reserves over a five-year period; and
- Directs that amounts exceeding the beginning fund balance for a fiscal year will be placed into an Opportunity Fund, and that the subsequent transfer or use of Opportunity Fund moneys be subject to a Board resolution authorizing their use.

Recommendation

The Board adopt Resolution No. 2019-10 setting a Fund Balance (Operating Reserve) Target of \$588,723 for FY 2020-21.

Discussion

Although not required by law, it is generally considered best practice for governmental entities to have a fund balance policy and to set a target that an organization desires to end its fiscal year with and carryforward as the beginning fund balance for the following fiscal year. A fund balance is important because it:

- Provides sufficient cash flow for financial needs until anticipated revenue is received;
- Helps to secure and maintain investment grade bond ratings (for organizations that borrow);

- Offsets significant economic downturns or revenue shortfalls; and
- Provides funds for unanticipated adverse financial events.

The following schedule shows the calculation of the Fund Balance Target per the criteria established in the adopting resolution:

Operational Expenditures at FYE 6/30/19

Expenditures per 6/30/19 Audit:

Personal Services	2,087,583
Materials & Services	570,620

Less:

Contractual Expenses	86,091	
Pass-thru Payments	195,250	
Contingencies	-	
Recruitment Costs	2,884	
In-kind Costs	19,089	(303,313)

Adjusted Operational Costs	<u>2,354,890</u>
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Monthly Operational Cost	<u>196,241</u>
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Fund Balance Target (3 months)	<u>588,723</u>
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The COG's beginning fund balance as of July 1, 2019 was \$289,348 (the highest in 12 years). Given the size of the fund balance target, it will likely require several years to achieve the target balance. To put the matter in perspective, to achieve the targeted fund balance in a five-year period would require an average increase in revenue (such as dues, or fee for service revenue in excess of expenses) of \$59,875 per year.

BEFORE THE BOARD OF DIRECTORS
FOR THE MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
In the matter of setting a Fund Balance Target of \$588,723 for FY 2020-21.

Resolution No. 2019-10

WHEREAS, the Mid-Willamette Valley Council of Governments Board of Directors (Board of Directors) approved a Reserve Policy establishing a target for Fund Balance Reserves at their meeting on October 21, 2014; and

WHEREAS, the Board of Directors adopted Resolution No. 2017-04 amending the Reserve Policy at their March 20, 2018 meeting; and

WHEREAS, it is considered best practice for governmental entities to have a fund balance policy and to set a target that an organization desires to end its fiscal year with and carryforward as the beginning fund balance for the following fiscal year; and

WHEREAS, the Board of Directors has set a goal of achieving the target amount as calculated using the criteria established in the adopting resolution over a five-year period; and

WHEREAS, the calculated Fund Balance Target is \$588,723;

NOW, THEREFORE, the Board of Directors hereby resolves to set the Fund Balance Target for FY 2020-21 at \$588,723.

ADOPTED this 17th day of December, 2019.

Cathy Clark, Chair
Mid-Willamette Valley Council of Governments

ATTEST

Sean E. O'Day
Executive Director



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: December 17, 2019

FROM: Executive Committee
Mid-Willamette Valley Council of Governments

RE: Retirement Plan Adjustments

Issue

Should the Board agree to modify the Mid-Willamette Valley Council of Government retirement plan program to pick up 2% of the Employee's current contribution to their retirement plan?

Background

Last year, at the Board's Direction, the COG undertook a compensation study of the management positions at the COG through a contract with the Local Government Personnel Institute. That study concluded that with respect to wages, the COG was within the market for most positions. However, with respect to total compensation, the COG trailed its competitors, primarily because of the differences in retirement. Most notably that the COG requires employee's to contribute 6% of their salary/wages to the retirement (the COG contributes 8.75%) and that unlike comparable public organizations the COG lacked a pension (defined benefit) program such as PERS.

The Executive Committee met on July 25, 2019 with Jill Armstrong of LGPI who prepared the study. Following a lengthy discussion of the report, the Executive Committee requested staff bring back information on how the COG's retirement system compared with its competitors retirement system under the Public Employee Retirement System (PERS). (See attached table showing results)

The Executive Committee reviewed that information on September 9, 2019 and requested staff bring back additional information on the financial impact if the COG were to either pick-up a portion of the employee's retirement contribution.

Recommendation

The Board modify the Mid-Willamette Valley Council of Government retirement plan program to pick up 2% of the Employee's current contribution to their retirement plan (raising the COG's contribution to 10.75%) effective July 1, 2020.

Discussion

Recent recruitments illustrate the difficulties in attracting qualified candidates at the COG's current overall compensation package. Although salary and wages are generally at market, the employee mandated 6% contribution effectively lowers salary and wages by 6%. Additionally, because the COG is not a PERS participating employer, it is difficult (if not impossible) for the COG to provide a competitive retirement package to other public entities. Although the COG has a generous vacation benefit (for long term employees), excellent healthcare benefits, and flexible work schedule, those benefits often matter less to new employees, or those recently entering the workforce.

Consequently, the Executive Committee believes the COG should ultimately pick up all of the employee's retirement contribution (for a total contribution of 14.75%) to keep wages within market and to enhance the value of the COG's retirement. However, due to the cost of such a change (see table below), the Executive committee recommends phasing this in over-time in 2% increments. (With subsequent increases being at the discretion of the Board) The total cost to the COG of a 2% "pick-up is estimated to be \$30,915, the cost of which would mostly be borne by direct charges to programs (vs. member dues).

Analysis of Increasing Retirement Plan Contribution

	Payroll	Employee	COG	Total
Current Annualized Cost of Retirement Plan	1,545,739	92,744	135,252	227,996
COG picks up employee cost as follows:				
1% Pickup		(15,457)	15,457	
Cost of contributions		77,287	150,709	227,996
2% Pickup		(30,915)	30,915	
Cost of contributions		61,829	166,167	227,996
3% Pickup		(46,372)	46,372	
Cost of contributions		46,372	181,624	227,996
4% Pickup		(61,830)	61,830	
Cost of contributions		30,914	197,082	227,996
5% Pickup		(77,287)	77,287	
Cost of contributions		15,457	212,539	227,996
6% Pickup		(92,744)	92,744	
Cost of contributions		-	227,996	227,996

Comparison of COG Retirement Plan to PERS

	COG	PERS (Employees are IAP & Tier I, II, or OPSRP)				
	401(a) Plan	IAP	&	Tier I	Tier II	OPSRP
Benefit Type	Defined Contribution	Defined Contribution		Defined Benefit	Defined Benefit	Defined Benefit
Employee Contribution	6%	6%*		0*	0*	0
Employer Contribution	8.75%	0		Employer rate set by PERS (see attached)	Employer rate set by PERS (see attached)	Employer rate set by PERS (see attached)
Normal Retirement Age	55 (minimum)	Members retire from IAP when they retire from Tier One, Tier Two, or OPSRP		58 (or 30 Years of service) 55 Early Retirement at reduced benefit	60 (or 30 years of service) 55 Early Retirement at reduced benefit	65 (or 58 if 30 years of service) 55 Early Retirement at reduced benefit
Account Earnings	Market	Market		Guaranteed Assumed Rate (currently 7.5%)	N/A	N/A
Retirement Benefit	Account Pay-Out/Rollover	Account Pay-Out/Rollover		Money Match / Full Formula**	Money Match / Full Formula**	Formula**
Formula	N/A	N/A		Money Match: employer matches account balance by an equal amount. Full Formula: 1.67 percent x years of retirement credit x final average salary***	Money Match: employer matches account balance by an equal amount. Full Formula: 1.67 percent x years of retirement credit x final average salary***	1.5 percent x years of retirement credit x final average salary***
COLA	None	None		Up to 2% Annually	Up to 2% Annually	Up to 2% Annually

* Not all, but most employers pick up the employee 6%. Recent legislation will re-direct part of the 6% to the Pension side of PERS (Tier I, II, 2.5% and .75% for OPSERP) – Employees will be allowed to make voluntary contributions to bring the IAP contribution back to 6%..

**Prior to 2002, neither OPSERP nor the IAP existed. All of an employee's contribution went to fund their pension. It's that amount of employee contribution that is used when determining the money match formula.

***FAS capped at \$196K

Hypothetical Example of How the Benefits Work

Assumes a 15 year employee with a final salary of \$95,000

PERS Pension Example (OPSRP) (taken from PERS Website)	COG Example (Using just the 8%)
<p>Final average salary: \$95,000 Retirement credit: 15 years as an OPSRP member 15 (years) x 1.5 percent = 22.5 percent</p> <p>22.5 percent x (final average monthly salary) = \$1,741</p> <p>20 Year Value: \$507,621 (2% COLA) 30 Year Value: \$847,548 (2% COLA)</p> <p>No market risk / benefit matches employee lifetime</p>	<p>Using data from the last 15 years, an employee at range 10, step 11 would have a final salary of 95,448 at retirement.</p> <p>The COG only contribution amounts to \$100,298 over the 15 year period.</p> <p>Assuming an 8% portfolio gain, the value of the portfolio at the end of 15 years would be \$182,595.</p> <p>If the employee invested in an annuity with an assumed 5% return and withdrew the same \$1,741 per month that the PERS employee receives, the portfolio value goes negative after year 11</p>