



CITY OF SWEET HOME CITY COUNCIL AGENDA

WIFI Passcode:
guestwifi

August 14, 2018, 6:30 p.m.

Sweet Home Police Department, 1950 Main Street
Sweet Home, OR 97386

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

A. Call to Order and Pledge of Allegiance

B. Roll Call:

Councilor Briana
Councilor Coleman
Councilor Gerson
Councilor Goble

Councilor Gourley
Mayor Mahler
Councilor Trask

C. Consent Agenda:

- a) Approval of Minutes: July 17, 2018 – Work Session (pg. 3)
July 24, 2018 – Work Session (pg. 4)
July 24, 2018 – Regular Meeting (pg. 5-9)

D. Recognition of Visitors and Hearing of Petitions:

E. Old Business:

- a) Request for Council Action - ODOT Project Amendment (US 20: 54th Ave to Riggs Hill Road) (pg. 10-44)
- b) Request for Council Action - MOU – Sweet Home Community Foundation (pg. 45-47)

F. New Business:

- a) Request for Council Action - Charter Amendment Discussion (pg. 48-59)
- b) Capitol Christmas Tree Washington D.C Trip Discussion Only

G. Introduction, First and Second Reading of Ordinance Bills

- a) Request for Council Action -Ordinance Bill No. 3 for 2018 - An Ordinance Relating to Rate Increases for Solid Waste Management in the City of Sweet Home, Oregon and Repealing Sweet Home Ordinance Bill No.1261 with an Expediency Clause. (pg. 60-78)
- b) Request for Council Action – Ordinance Bill No. 4 for 2018 – Sweet Home Ordinance Pertaining to Council Rules and Amending SHMC Chapter 2.04 Titled City Council. (pg.79-99)

H. Third Reading of Ordinance Bills (Roll Call Vote Required)

I. Resolutions

J. Reports of Committees:

Administrative & Finance/Property	Goble
Public Safety/Traffic Safety	Briana
Public Works	Mahler
Park and Tree Committee	Trask
Youth Advisory Council	Gourley
Chamber of Commerce	Coleman
Fire District	Trask
Council of Governments	Gerson
Area Commission on Transportation	Briana
Solid Waste Advisory Council	Goble
Ad Hoc Committee on Health (Minutes 07-16-18) (pg.100)	Gourley
Capitol Christmas Tree Committee	Coleman

K. Reports of City Officials:

- a) Mayor's Report
- b) City Manager's Report
- c) Department Director's Reports:
 - i. Finance Director
 - (1) Checks by Date (pg. 101-102)
 - (2) Finance Report - July (pg. 103-104)
 - ii. Library Services Director
 - iii. Community and Economic Development Director
 - iv. Police Chief
 - (1) PD Statistics Report (pg. 105-154)
 - v. Public Works Director
 - (1) Engineer's Report (pg. 155-157)
 - vi. City Attorney's Report

L. Adjournment

SWEET HOME CITY COUNCIL
SPECIAL MEETING WORK SESSION MINUTES

July 17, 2018

The City Council Work Session was opened at 4:00 p.m. at Sweet Home Sanitation.

Task Committee of the Council: Councilor Briana, Councilor Gerson, Councilor Goble

Staff: City Manager Ray Towry

Media: None

The purpose of the meeting was to review the recycling crisis. The Task Committee met with Scott Gagner, Site Manager and Brian White, District Manager of Sweet Home Sanitation. There was time for questions and answers including short and long-term solutions to the world-wide recycling crisis. The committee by consensus found an 8% increase for solid waste rates to be reasonable and will submit their recommendation to the full Council during the July 24th regular meeting.

The meeting adjourned at 5:04 p.m.

The foregoing is a true copy of the proceedings of the City Council at the July 17, 2018 City Council Work Session Meeting.

Mayor

ATTEST:

City Manager – Ex Officio City Recorder

SWEET HOME CITY COUNCIL
SPECIAL MEETING WORK SESSION MINUTES

July 24, 2018

The City Council Work Session was opened at 5:30 p.m. at the Sweet Home Police Department.

Roll Call:	Councilor Briana	P	Councilor Gourley	P
	Councilor Coleman	P	Mayor Mahler	P
	Councilor Gerson	P	Councilor Trask	P
	Councilor Goble	P (5:45pm)		

Staff: City Attorney Robert Snyder, Police Chief Jeff Lynn, Works Director Greg Springman, City Manager Ray Towry and Recording Secretary Julie Fisher.

Media: None

The purpose of the meeting was to review draft Council Rules. The Council discussed Order of Business for Council meetings and by consensus decided to keep Recognition of Visitors and Hearing of Petitions at the beginning of the meeting. A final draft of the Council Rules will be presented to the Council during their regular meeting on August 14, 2018 for approval.

The meeting adjourned at 6:19 p.m.

The foregoing is a true copy of the proceedings of the City Council at the July 24, 2018 City Council Work Session Meeting.

Mayor

ATTEST:

City Manager Pro Tem – Ex Officio City Recorder

SWEET HOME CITY COUNCIL
MEETING MINUTES

July 24, 2018

Mayor Mahler called the meeting to order at 6:30 p.m. in the Sweet Home Police Department. The Pledge of Allegiance was recited.

Staff Present: City Manager Ray Towry, Community and Economic Development Director Jerry Sorte, Library Services Director Rose Peda, Finance Director Brandon Neish, Public Works Director Greg Springman, Police Chief Jeff Lynn and Recording Secretary Julie Fisher.

Visitors Registered to Speak:

Media: Sean Morgan, The New Era
Alex Paul, Albany Democrat Herald

Roll Call:	Councilor Briana	P	Councilor Gourley	P
	Councilor Coleman	P	Mayor Mahler	P
	Councilor Gerson	P	Councilor Trask	P
	Councilor Goble	P		

Consent Agenda: **Motion was made to approve the Consent Agenda as submitted. (Trask/Goble) Motion passed with 7 Ayes, 0 Opposed, 0 Absent**

Items on the consent agenda are as follows:
Approval of Minutes: July 10, 2018 – City Council
July 10, 2018 - WS

Recognition of Visitors & Hearing of Petition: None

Old Business: None

New Business:

Request for Council Action – Sweet Home City Hall Financing. Finance Director Neish presented the Council with various Debt Service Options for consideration to complete the new City Hall Project. Options included Inter-fund loan, General Bond, and Full Faith and Credit Bond. Pros and Cons were discussed for each option and Legal authority was presented for each type of option.

Motion to request City Staff prepare an inter-fund loan with current LGIP interest rate in accordance with ORS to be repaid over 10 years (Gerson/Gourley)

ROLL CALL VOTE

Councilor Gourley	Aye
Mayor Mahler	Aye
Councilor Trask	Aye
Councilor Briana	No
Councilor Coleman	Aye
Councilor Gerson	Aye
Councilor Goble	No

Motion passed with 5 Ayes and 2 Opposed (Briana/Goble)

Request for Council Action – City Acceptance of Property.

City Manager Towry introduced the request for Council consideration on whether they wished to pursue acquiring property on Long Street next to the Skate Park that Cross Development LLC (Dollar General) wishes to gift to the City. Discussion ensued on research of limitations of use of the property as well as title and lien search prior to any action.

Motion to accept the property from Cross Development LLC (Dollar General) (Briana) Motion dies for lack of a second.

Motion to direct staff to further evaluate this matter (Gourley/Gerson). Motion passed with 6 Ayes, 0 Opposed and 1 Abstain (Goble, Conflict of Interest)

Introduction, First and Second Reading of Ordinance Bills:

Introduction: None

First Reading: None

Second Reading: None

Third and Final Reading of Ordinance Bills:

Ordinance Bill No. 2 for 2018; an Ordinance Amending Title 17 of Sweet Home Municipal Code and Declaring a need for an Expediency Clause.

Community and Economic Development Director Jerry Sorte read by title only, Ordinance Bill No. 2 for 2018 – An Ordinance Amending Title 17 of Sweet Home Municipal Code and Declaring a need for Expediency Clause as Amended on Exhibit A.

Motion to approve Ordinance Bill No. 2 for 2018 as Amended on Exhibit A – An Ordinance Amending Title 17 of Sweet Home Municipal Code and Declaring a need for an Expediency Clause (Gourley/Goble)

ROLL CALL VOTE

Mayor Mahler	Aye
Councilor Trask	Aye
Councilor Briana	Aye
Councilor Coleman	Aye
Councilor Gerson	Aye
Councilor Goble	Aye
Councilor Gourley	Aye

The motion passed with 7Ayes and 0 Opposed.

Resolutions:

Resolution No. 12 for 2018 – A Chief Lynn introduced the request for a street closure to hold Resolution Regarding Street National Night Out event on Mimosa Circle. Closures and Restrictions.

Motion to approve Resolution No. 12 for 2018 – A Resolution regarding Street Closures and Restrictions (Gerson/Briana). Motion passed with 7 Ayes and 0 Opposed.

Resolution No. 13 for 2018 – A Chief Lynn introduced the Oregon Jamboree request. Robert Shamock with the Oregon Jamboree answered questions Resolution Concerning the Oregon Jamboree, Park Closures and Restrictions. regarding concerns from Council. Councilor Trask had specific concerns regarding fire access. Chief Lynn stated Fire Chief Barringer and the Fire Marshall both reviewed the issue and will monitor the required 20' fire access. Councilor Gerson had a concern over process and request the Jamboree present a written financial agreement with the City prior to the next event. Councilor Goble wanted to see more efforts from volunteers regarding pressure washing and cleaning of sidewalks prior to the Jamboree. Councilor Briana was opposed to the closing of Sankey Park to the public.

Eva Jurney
982 Pinetop
Sweet Home, OR 97386

Eva Jurney presented to the Council her concerns regarding the information in the staff Request for Council Action memo specific to budget related items that she felt should be brought up during the City of Sweet Home Budget process and included as a line item in the City Budget.

Motion to approve Resolution No. 13 for 2018 – A Resolution Concerning the Oregon Jamboree, Park Closures and Restrictions (Trask/Goble) Motion passed with 5 Ayes and 2 Opposed (Gerson, Briana)

Committee Reports:

Administration & Finance/ Property Committee	None
Public/Traffic Safety	None
Public Works	None

City Boards/Committees:

Chamber of Commerce	Councilor Coleman reported there were 44 entries to the Sportsman Holiday Parade and the parade was enjoyable to watch.
Fire District	Councilor Trask reported fire crews have joined efforts to fight fires on I-84 and in Grants Pass.

Park & Tree Commission	Councilor Trask reported the meeting was cancelled for lack of a quorum.
Y.A.C.	Councilor Gourley announced a Rural Youth Leadership Summit on August 17 th .
Ad Hoc Committee Community Healthcare	Councilor Gourley announced the Community Health Fair on August 18 th .
Capitol Christmas Tree	Councilor Coleman suggested the Council discuss the trip to D.C and the details.

Regional Boards/Committees:

Area Commission on Transportation (ACT)	None
COG	Councilor Gerson referred to her written report.
Solid Waste Advisory Council (SWAC)	Councilor Goble reported a committee comprised of Councilor Goble, Councilor Briana and Councilor Gerson met with Sweet Home Sanitation for a Work Session and learned more about the world-wide recycling crisis issue. The committee recommended to the Council an 8% rate increase.
Scott Gagner Sweet Home Sanitation	Scott Gagner with Sweet Home Sanitation stated the proposed 8% increase would be effective August 1, 2018. They asked for consensus of the Council of the increase, so they could be proactive in beginning the process to initiate the change in rates. Consensus of the Council was favorable Sweet Home Sanitation to begin the process. The Sweet Home Sanitation Rate Increase will be an agenda item on the August 14, 2018 City Council Agenda. Scott Gagner agreed to present to Council monthly updates on the situation and if the crisis resolves, rates would decrease accordingly.

Mayor's Report	None
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City Manager's Report	<p>City Manager Towry reported he will be out of the office the remainder of the week.</p> <p>City Manager Towry announced the League of Oregon Cities Conference is coming up in September. If any Councilor is interested in attending the Council training, please let him know.</p> <p>A reminder to City Council of the upcoming November Election. Four positions are expiring. Forms are on the website or can be picked up in the City Manager's office to run for office. The deadline is August 28th.</p>
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Department Directors Reports:

Finance Director	Finance Director Neish reviewed reports included in the packet and gave a brief presentation on revenue vs expenses.
Library Director	Library Services Director Peda announced 277 children have signed up for the Summer Reading Program. LSD Peda announced the next three programs: Michael Albert, Pop Artist;

Didgeridoo Down Under, Australian Music; and Matthew Guernsey, Irish and Scottish Music.

Community and Economic Development Director

Community and Economic Development Director Jerry Sorte announced Angela Clegg was hired as the new Associate Planner for the CEDD. Recreation planning to include the Harvest Festival is underway. Planning and Building permits are keeping the Planning Commission and department busy.

Police Chief

Chief Lynn update the Council on the Department's preparation for the Oregon Jamboree.
Chief Lynn stated a plan to address traffic issue in the downtown area is being developed and will be brought to Council.

Public Works

Public Works Director Springman reported on the continued raw water testing for Cyanotoxins with negative results. Testing will continue and PWD Springman will update the Council on those results.

Councilor Briana asked if funds could be used from the Parks Budget for improvements to the parking lot at Strawberry Park. Discussion ensued. Mayor Mahler urged Councilor Briana to approach the Park and Tree Committee who would make recommendations of Capital Improvement Projects to the Council.

City Attorney

Councilor Trask asked for discussion on a Charter Amendment.

None

Adjournment:

With no further business the meeting adjourned at 8:29 PM.

The foregoing is a true copy of the proceedings of the City Council at the July 24, 2018 regular City Council Meeting.

Mayor

ATTEST:

City Manager – Ex Officio City Recorder



REQUEST FOR COUNCIL ACTION

PREFERRED AGENDA: August 14, 2018	TITLE: Approve ODOT AN01 MTEP STIP Project # 18853.	TYPE OF ACTION: — RESOLUTION <u>x</u> MOTION — OTHER
SUBMITTED BY: Joe Graybill, City Engineer	ATTACHMENTS: ODOT AN01 MTEP for US 20: 54 th Avenue – Riggs Hill Road (Sweet Home).	
REVIEWED BY: Ray Towry, City Manager		

PURPOSE OF THIS RCA:

To review and approve the Amendment Number 01 Local Agency Agreement Multimodal Transportation Enhance Program Agreement, State Delivered Federal Project US 20: 54th Avenue – Riggs Hill Road (Sweet Home), City of Sweet Home.

BACKGROUND/CONTEXT:

The City of Sweet Home has been working on the development of sidewalk access to the East City Limits at Riggs Hill Road for many years. The sidewalks currently stop at 54th Ave. Through the Cascades West Council of Government Area Commission on Transportation (CWCOG ACT) and ODOT process for adding projects to the State Transportation Improvement Program (STIP), the US 20: 54th Ave – Riggs Hill Road project was approved.

Over time the project downsized in some work scope and increased in others. A shoreline multi-use path was deleted (it will be merged with a Linn County Project using a FLAP Grant), as well as a parking lane frontage road. On the other hand, a sidewalk section on the south side of Main St. adjacent to the Murphy Wood Products Mill was included, and two mid-block pedestrian crossings were added to the 5-Lane section of Main St. The two mid-block crossings are between 47th and 49th Avenues, and between Clark Mill Road and 40th Avenue. These two crossing will be off-set directional crosswalks but will not have Flashing Beacons (RRFB) due to the 45MPH zone in which they are located.

This project has been ongoing for many years starting with the 1998-1999 ODOT 2R resurfacing and sidewalk repair project that stopped at 54th Avenue. At the time, it was considered that it was too costly to continue sidewalks up to and under the RR bridge to get to the lake. Subsequent to that, plans were formulated to find a solution – and a time – to get connectivity to the lakeside and Shea Point areas. Over the next decade through our ODOT Region 2 Area 4 ACT, applications were made to present a plan to get on the State STIP, with city matching funds to help that process. That action was successful, and with some deletions and additions to the work area, alterations in city match obligations, and coordination with other ODOT funding sources for the crossings work, the project is nearly done. This addendum to the original agreement will provide a much anticipated and needed improvement to the community.

The engineering work is anticipated this year and in 2019, with construction in late 2019 - 2020.

Timeline:

- 1998: Start of the project, considerations of solutions to the challenges presented.
- 2010: Layout solutions for path options.
- 2012: Application to CWCOG-ACT for 2015 STIP
- 2015: Approved to STIP by OTC
- 2016: Application & Cost Estimate Re-Scoped for project work.

- 2016: Project approved to the 2018 STIP
- 2017: Layout Mid-block Crossings & Mill sidewalks with alternate funding sources.
- 2018: Project approved by the OTC.
- 2018: Project Amendment to project scope & funding (attached document).

THE CHALLENGE/PROBLEM:

Will the City Council support the continued goal of improvements to the transportation modes available to the local community by supporting cost share matches for major projects?

STAKEHOLDERS:

- State of Oregon ODOT – All project work will be within the Main St. (US 20 Santiam Hwy) right-of-way extents. Roadway improvements improve the safety for drivers in the area.
- City of Sweet Home residents – Citizens are provided safe access as a result of the project both at the east end of the city, and at the proposed mid-block crossings.
- City of Sweet Home City Council – Continued commitment to funding safe transportation modes throughout the city enhances the city's ability to secure additional funding opportunities from state agencies.
- Tourists and Visitors: – Access by pedestrians and bicyclists is made safer.

ISSUES & FINANCIAL IMPACTS:

An amount of \$300K has been maintained in the City Budget through the last few years, with the understanding that it will be eventually expended. Funds will be processed as expenses are invoiced during design and construction. The Council approved the prior MTEP Agreement on August 28, 2017 with the understanding that the attached amendment would be forthcoming to reflect changes in the cost evaluation and required match share in the project scope. The previously signed agreement and this addendum – in that order – was necessary for ODOT's financial methodology.

ELEMENTS OF A STABLE SOLUTION:

An agreement with ODOT that provides sidewalk and bike lanes to facilitate safe transportation routes for local residents and visitors. Pedestrians can access recreational opportunities around Foster Lake without having to walk in and alongside the roadway pavement from 54th Avenue eastward. The two mid-block crossings of Main St will provide significantly safer crossings.

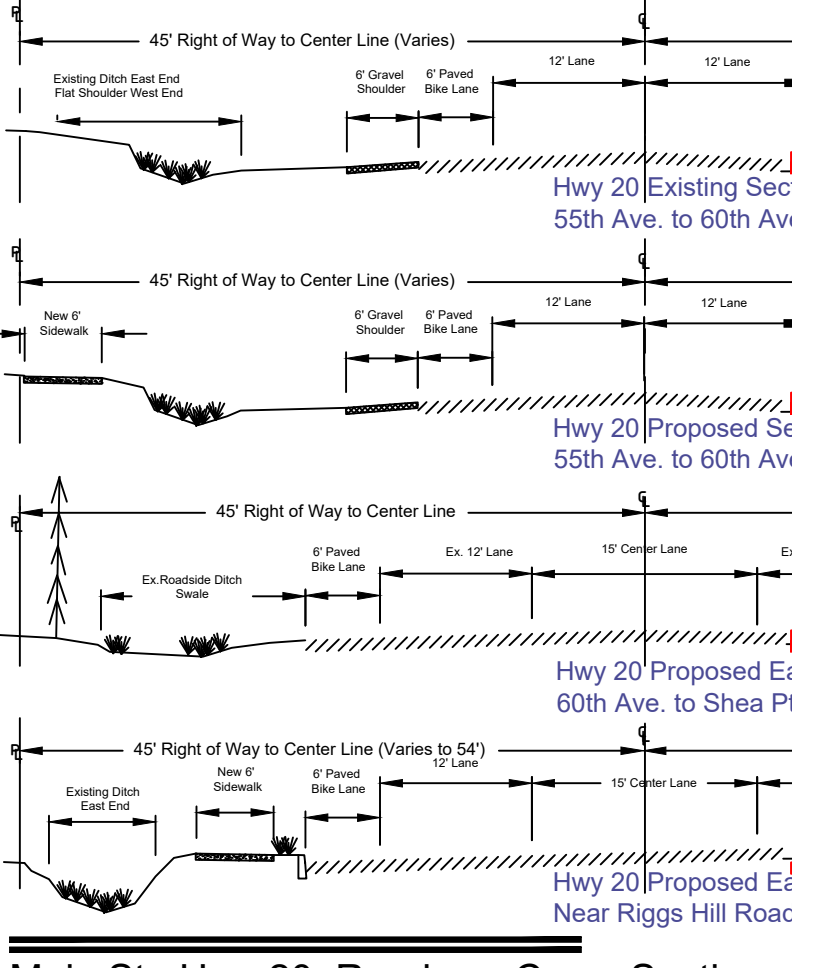
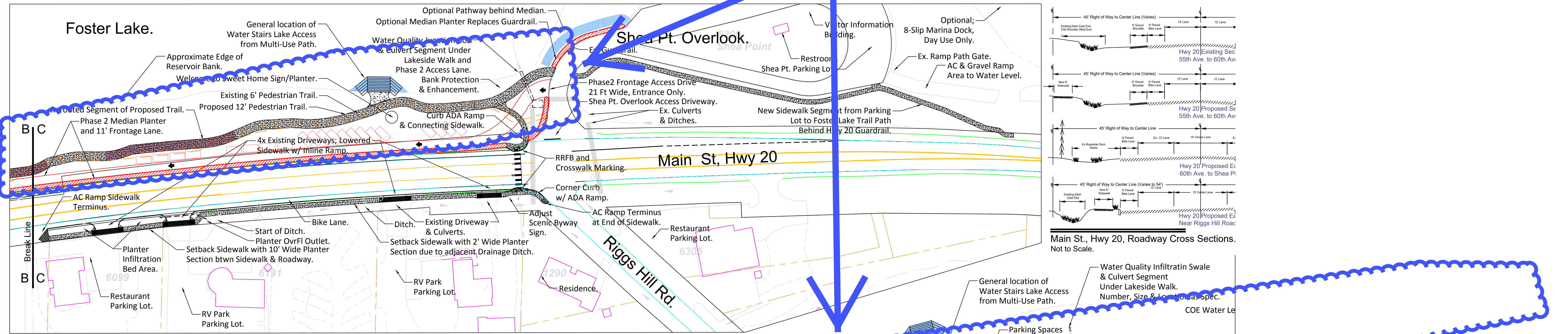
OPTIONS:

1. Do Nothing. Council could choose to move forward without approving the agreement.
2. Adopt the Amendment 01 as approved. Council could choose to move to adopt Amendment Number 01 for the MTEPA US 20: 54th Avenue – Riggs Hill Road (Sweet Home) Project.

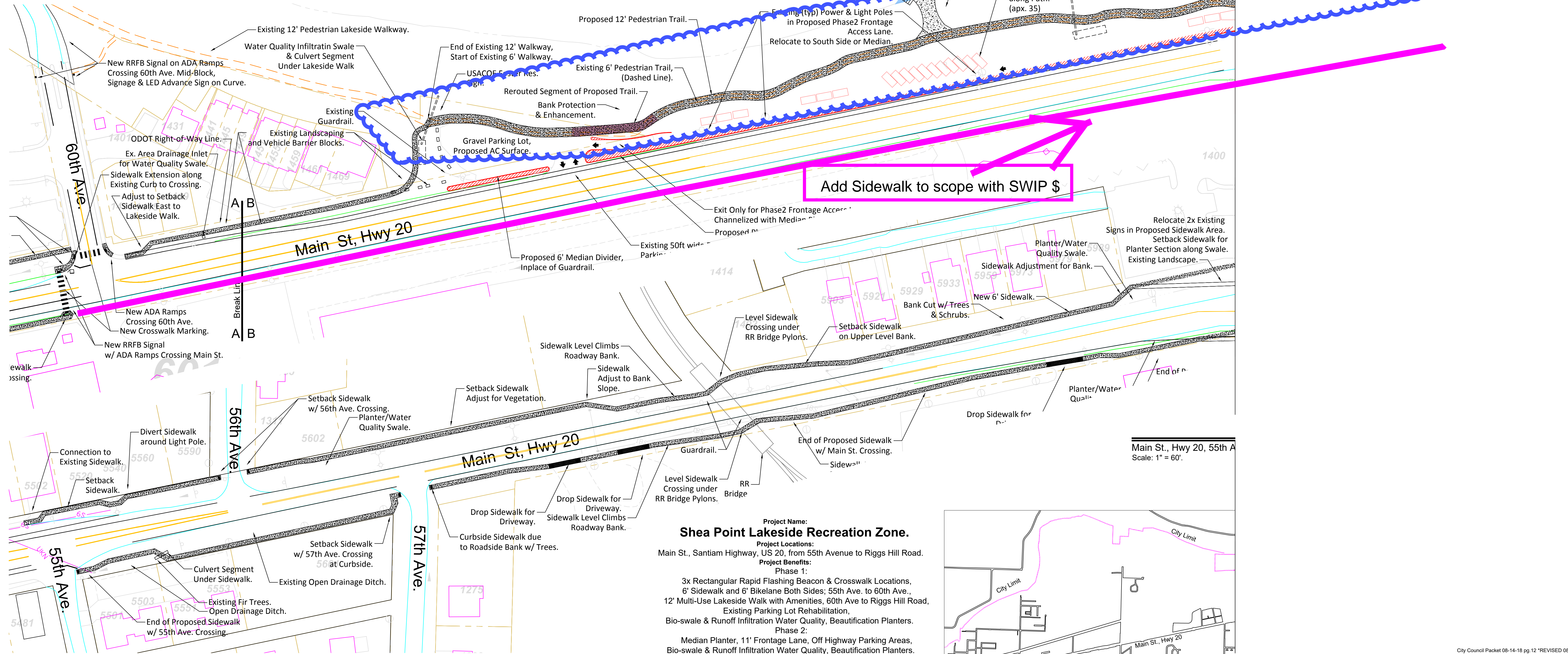
RECOMMENDATION:

Staff recommends Option 2, Adopt the Amendment 01 for ODOT project #18853.

Remove Multi-use path from Scope to fit with budget



Add Sidewalk to scope with SWIP \$



Project Name:
Shea Point Lakeside Recreation Zone.

Project Locations:
Main St., Santiam Highway, US 20, from 55th Avenue to Riggs Hill Road.

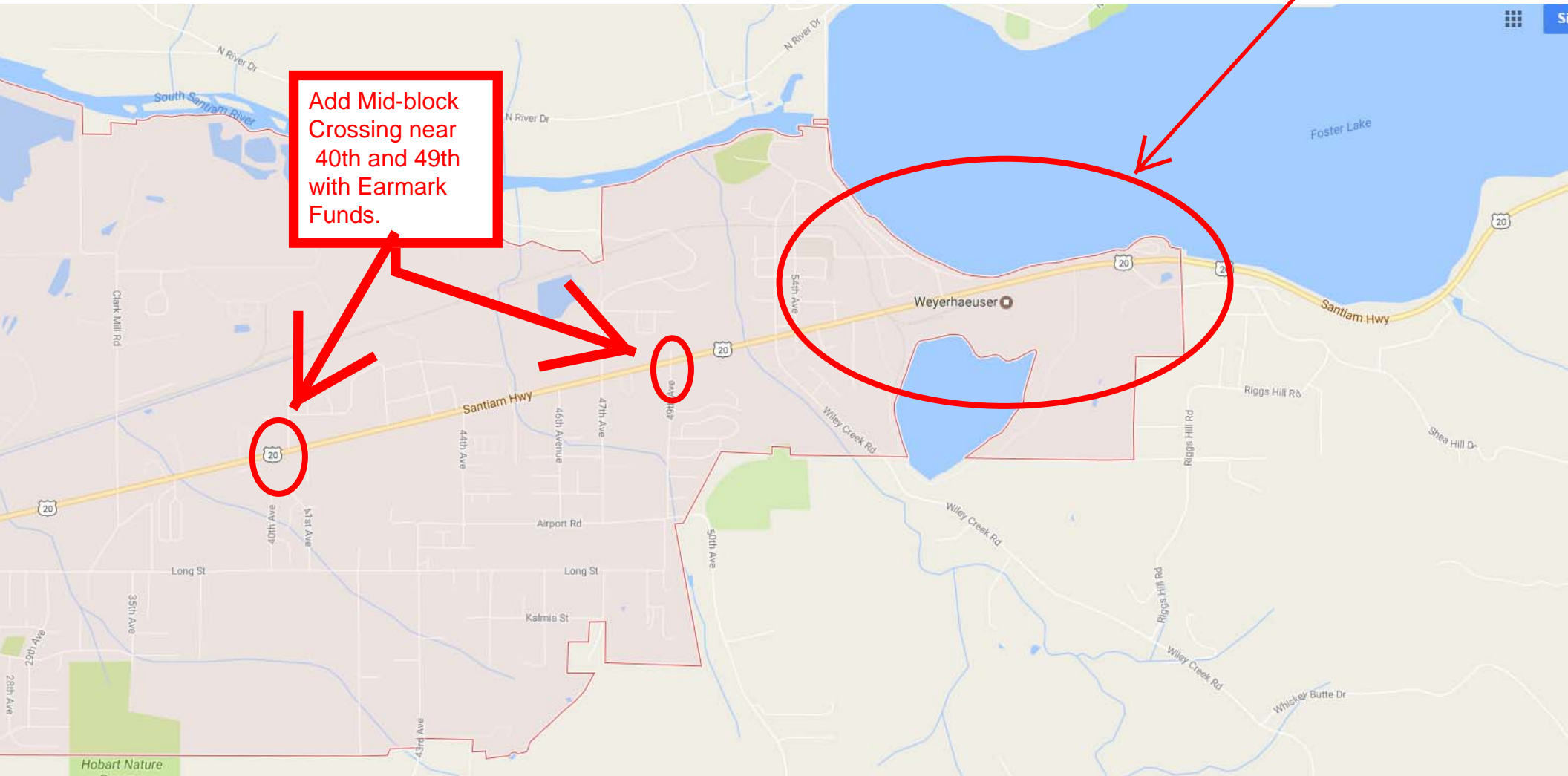
- Project Benefits:**
- Phase 1:
 - 3x Rectangular Rapid Flashing Beacon & Crosswalk Locations,
 - 6' Sidewalk and 6' Bikelane Both Sides; 55th Ave. to 60th Ave.,
 - 12' Multi-Use Lakeside Walk with Amenities, 60th Ave to Riggs Hill Road,
 - Existing Parking Lot Rehabilitation,
 - Bio-swale & Runoff Infiltration Water Quality, Beautification Planters.
 - Phase 2:
 - Median Planter, 11' Frontage Lane, Off Highway Parking Areas,
 - Bio-swale & Runoff Infiltration Water Quality, Beautification Planters.

Main St., Hwy 20, 55th Ave Scale: 1" = 60'.

Sweet Home

Enhance Project

Add Mid-block Crossing near 40th and 49th with Earmark Funds.



**AMENDMENT NUMBER 01
LOCAL AGENCY AGREEMENT
MULTIMODAL TRANSPORTATION ENHANCE PROGRAM AGREEMENT
State Delivered Federal Project
US 20: 54th Avenue – Riggs Hill Road (Sweet Home)
City of Sweet Home**

This is Amendment No. 01 to the Agreement between the **State of Oregon**, acting by and through its Department of Transportation, hereinafter referred to as “State,” and “ODOT;” and **CITY OF SWEET HOME**, acting by and through its elected officials, hereinafter referred to as “Agency,” entered into on September 12, 2017.

It has now been determined by State and Agency that the Agreement referenced above shall be amended to increase funding, update language, and add obligations.

1. **Effective Date.** This Amendment shall become effective on the date it is fully executed and approved as required by applicable law.

2. **Amendment to Agreement.**

a. **Attachment No. 1 Special Provisions shall be deleted in its entirety and replaced with the attached Revised Attachment No. 1 Special Provisions. All references to “Attachment No. 1 Special Provisions” shall hereinafter be referred to as “Revised Attachment No. 1 Special Provisions.”**

b. **DEFINITIONS, Paragraph 9, Page 2, which reads:**

9. “Total Project Cost” means the estimated amount as shown in this Agreement. This amount will include MTEP funds, local matching funds, and other funds as required to complete project as stated in this Agreement.

Shall be deleted in its entirety and replaced with the following:

9. “Total Project Cost” means the estimated cost to complete the entire Project, and includes any federal funds, state funds, local matching funds, and any other funds.

c. **TERMS OF AGREEMENT, Paragraphs 1, 2 and 3, Page 2, which read:**

1. Under such authority, Agency and State agree to state constructing a multi-use path along Foster Lake in the City of Sweet Home, on behalf of Agency, hereinafter referred to as “Project” and is further defined below. The location of the Project is approximately as shown on the map attached hereto, marked “Exhibit A,” and by this reference made a part hereof.

2. The Project Description and Deliverables are as follows:

- a. Description: construct multi-use path, sidewalks and bike lanes along US 20 from 54th Avenue to Riggs Hill Road in the City of Sweet Home.
 - b. Deliverables: the Project includes installation of sidewalks between 55th and 60th Avenues on both sides of US 20, a sidewalk on the south side of US 20 extending 225 feet west from Riggs Hill Road and improvements to a multi-use path on the north side of US 20 extending 1700 feet west from Riggs Hill Road.
3. Both Parties agree that an amendment to this Agreement is required if any changes are made to the Project as described in Project Description and Deliverables above.

Shall be deleted in their entirety and replaced with the following:

1. Under such authority, Agency and State agree to State delivering the US 20: 54th Avenue – Riggs Hill Road (Sweet Home) project on behalf of Agency, hereinafter referred to as “Project.” The Project includes installation of sidewalks between 55th and 60th Avenues on both sides of US 20, a sidewalk on the south side of US 20 extending from 60th Avenue to Riggs Hill Road, and installation of midblock crossings near 40th Avenue and 49th Avenue. The location of the Project is approximately as shown on the map attached hereto, marked “Exhibit A,” and by this reference made a part hereof.
2. State and Agency agree that State will serve as the lead contracting agency and contract administrator for the consultant contract related to the work under this Agreement.
3. Agency guarantees the availability of Agency funding in an amount required to fully fund Agency’s share of the Project.

d. TERMS OF AGREEMENT, Paragraph 4, Page 3, which reads:

4. The Project shall be conducted as a part of the Multimodal Transportation Enhance Program (MTEP) with funds provided under Title 23, United States Code and may include a combination of federal and state funds. The Total Project Cost is estimated at \$1,800,500.00, which is subject to change. Federal funding for this Project shall be limited to \$1,276,965.00. Agency shall be responsible all remaining costs, including the 10.27 percent match for all eligible costs, any non-participating costs, and all costs in excess of the available federal or state funds.

Shall be deleted in its entirety and replaced with the following:

4. The total Project cost is estimated at \$2,184,292.81, which is subject to change. Federal funds for this Project shall be limited to \$1,418,552.17,

provided by State. State shall also be responsible for providing \$466,205.32 in State funds towards Project costs. Agency shall be responsible for all remaining costs, including the 10.27 match for eligible costs, any non-participating costs, and all costs in excess of the federal or state funds. Any unused federal or state funds will be retained by State, and will not be available for use by Agency for this Agreement or any other projects.

e. TERMS OF AGREEMENT, Paragraph 5, Page 3, which reads:

5. The Funding Ratio for this Project is 70.92% of MTEP funds to 29.08% Agency funds and applies to Project Underruns. The Funding Ratio for this Project does not apply in the case of Project Overruns.

Shall be deleted in its entirety and shall now read:

5. With the exception of Americans with Disabilities Act of 1990 (ADA) related design standards and exceptions, State shall consult with Agency on Project decisions that impact Total Project Cost involving the application of design standards, design exceptions, risks, schedule, and preliminary engineering charges, for work performed on roadways under local jurisdiction. State will allow Agency to participate in regular meetings and will use all reasonable efforts to obtain Agency's concurrence on plans. State shall consult with Agency prior to making changes to Project scope, schedule, or budget. However, State may award a construction contract at ten (10) percent (%) over engineer's estimate without prior approval of Agency.

f. TERMS OF AGREEMENT, Paragraph 9, Page 3, which reads:

9. State will submit the requests for federal funding to Federal Highway Administration (FHWA). The federal funding for this Project is contingent upon approval of each funding request by FHWA. Any work performed prior to acceptance by FHWA or outside the scope of work will be considered nonparticipating and paid for at Agency expense.

Shall be deleted in its entirety and replaced with the following:

9. State will submit requests for federal funding to Federal Highway Administration (FHWA). The federal funding for this Project is contingent upon approval of each funding request by FHWA. Any work performed outside the period of performance or scope of work approved by FHWA will be considered nonparticipating and paid for at Agency expense.

g. TERMS OF AGREEMENT, Paragraph 14, Page 4, which reads:

- 14.a. Information required by 2CFR 200.331 (a), except for (xiii) Indirect cost rate, shall be contained in the USDOT FHWA Federal Aid Project Agreement

for this Project, a copy of which shall be provided by ODOT to Agency with the Notice to Proceed.

- i) The indirect cost for this project at the time the agreement is written is zero (0%) percent.

Shall be deleted in its entirety and replaced with the following:

14. Information required by 2 Code of Federal Regulation (CFR) 200.331(a)(1) shall be contained in the USDOT FHWA Federal Aid Project Agreement for this Project, a copy of which shall be provided by ODOT to Agency with Notice to Proceed.

h. Insert new TERMS OF AGREEMENT, Paragraphs 24 through 28, to read as follows:

24. By signing this Federal-Aid Agreement Agency agrees to comply with the provisions of the Federal Funding Accountability and Transparency Act (FFATA) and is subject to the following award terms: <http://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf> and <http://edocket.access.gpo.gov/2010/pdf/2010-22706.pdf>. If, in the preceding fiscal year, Agency received more than eighty percent (80%) of its gross revenues from the federal government, those federal funds exceed \$25,000,000 annually, and the public does not have access to information about the compensation of executives through reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 or section 6104 of the Internal Revenue Code of 1986, Agency shall report the total compensation and names of its top five executives to State. Agency shall report said information to State within 14 calendar days of execution of this Agreement and annually thereafter, utilizing the FFATA form attached hereto as Exhibit "B."

25. Indirect Cost Rate

- a. As required by 2 CFR 200.331(a)(4), the indirect cost rate(s) for this Project at the time the agreement is written is zero percent (0%). This rate may change during the term of this Agreement upon notice to ODOT and ODOT's subsequent written approval.
- b. If the approved rate(s) change(s) during the term of this Agreement, Agency shall invoice ODOT using the current indirect cost rate(s) for the Project on file with ODOT at the time the work is performed. If Agency does not have approved indirect cost rate(s) on file with ODOT at the time the work is performed, Agency shall invoice ODOT using a zero percent (0%) rate.

26. Americans with Disabilities Act Compliance:

- a. When the Project scope includes work on sidewalks, curb ramps, or pedestrian-activated signals or triggers an obligation to address curb ramps or pedestrian signals, the Parties shall:
 - i. Utilize ODOT standards to assess and ensure Project compliance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 as amended by the ADA Amendments Act of 2008 (together, "ADA"), including ensuring that all sidewalks, curb ramps, and pedestrian-activated signals meet current ODOT Highway Design Manual standards;
 - ii. Follow ODOT's processes for design, modification, upgrade, or construction of sidewalks, curb ramps, and pedestrian-activated signals, including using the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, providing a temporary pedestrian accessible route plan and current ODOT Curb Ramp Inspection form;
 - iii. At Project completion, send a completed ODOT Curb Ramp Inspection Form 734-5020 to the address on the form as well as to State's Project Manager for each curb ramp constructed, modified, upgraded, or improved as part of the Project. The completed form is the documentation required to show that each curb ramp meets ODOT standards and is ADA compliant. ODOT's fillable Curb Ramp Inspection Form and instructions are available at the following address:
<http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/Pages/HwyConstForms1.aspx>
; and
- b. ODOT shall ensure that temporary pedestrian routes are provided through or around any Project work zone. Any such temporary pedestrian route shall include directional and informational signs, comply with ODOT standards, and include accessibility features equal to or better than the features present in the existing pedestrian facility. ODOT shall also ensure that advance notice of any temporary pedestrian route is provided in accessible format to the public, people with disabilities, and disability organizations at least 10 days prior to the start of construction.
- c. Agency shall ensure that any portions of the Project under Agency's maintenance jurisdiction are maintained in compliance with the ADA throughout the useful life of the Project. This includes, but is not limited to, Agency ensuring that:
 - i. Pedestrian access is maintained as required by the ADA,

- ii. Any complaints received by Agency identifying sidewalk, curb ramp, or pedestrian-activated signal safety or access issues are promptly evaluated and addressed,
 - iii. Any repairs or removal of obstructions needed to maintain Project features in compliance with the ADA requirements that were in effect at the time of Project construction are completed by Agency or abutting property owner pursuant to applicable local code provisions,
 - iv. Any future alteration work on Project or Project features during the useful life of the Project complies with the ADA requirements in effect at the time the future alteration work is performed, and
 - v. Applicable permitting and regulatory actions are consistent with ADA requirements.
- d. Maintenance obligations in this section shall survive termination of this Agreement.
27. State shall ensure compliance with the Cargo Preference Act and implementing regulations (46 CFR Part 381) for use of United States-flag ocean vessels transporting materials or equipment acquired specifically for the Project. Strict compliance is required, including but not limited to the clauses in 46 CFR 381.7(a) and (b) which are incorporated by reference. State shall also include this requirement in all contracts and ensure that contractors include the requirement in their subcontracts.
28. Agency grants State the right to enter onto Agency right of way for the performance of duties as set forth in this Agreement.
3. **Counterparts.** This Amendment may be executed in two or more counterparts (by facsimile or otherwise) each of which is an original and all of which when taken together are deemed one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart.
4. **Original Agreement.** Except as expressly amended above, all other terms and conditions of the original Agreement are still in full force and effect. Agency certifies that the representations, warranties and certifications in the original Agreement are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.
- THE PARTIES**, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

City of Sweet Home/ODOT
Agreement No. 31705

This Project is in the 2018-2021 Statewide Transportation Improvement Program, (Key #18853) that was adopted by the Oregon Transportation Commission on July 20, 2018 (or subsequently approved by amendment to the STIP).

Signature Page Follows

CITY OF SWEET HOME, by and through its elected officials

By _____
Mayor

Date _____

By _____
City Manager

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

By _____
Agency Counsel

Date _____

Agency Contact:

Ray Towry, City Manager
City of Sweet Home
1140 12th Avenue
Sweet Home, Oregon 97386
(541) 367-6243
rtowry@ci.sweet-home.or.us

State Contact:

Brennan Burbank, Local Agency Liaison
ODOT Region 2, Area 4
3700 SW Philomath Boulevard
Corvallis, Oregon 97333
(541) 757-4116
Brennan.burbank@odot.state.or.us

STATE OF OREGON, by and through its Department of Transportation

By _____
Highway Division Administrator

Date _____

APPROVAL RECOMMENDED

By _____
State Traffic and Roadway Manager

Date _____

By _____
Region 2 Manager

Date _____

By _____
Region 2 Project Delivery Manager

Date _____

By _____
Area 4 Manager

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

By _____
Assistant Attorney General

Date: _____

**REVISED ATTACHMENT NO. 1
SPECIAL PROVISIONS**

1. State or its consultant shall conduct all work components necessary to complete the Project, except for those responsibilities specifically assigned to Agency in this Agreement.
 - a. State or its consultant shall conduct preliminary engineering and design work required to produce final plans, specifications, and cost estimates in accordance with current state and federal laws and regulations; obtain all required permits; acquire necessary right of way and easements; and arrange for all utility relocations and adjustments.
 - b. State will advertise, bid, and award the construction contract. Upon State's award of the construction contract, a consultant hired and overseen by the State shall be responsible for contract administration and construction engineering & inspection, including all required materials testing and quality documentation. State shall make all contractor payments.
 - c. State will perform project management and oversight activities throughout the duration of the Project. The cost of such activities will be billed to the Project.
2. State and Agency agree that the useful life of this Project is defined as 20 years.
3. If Agency fails to meet the requirements of this Agreement or the underlying federal regulations, State may withhold the Agency's proportional share of Highway Fund distribution necessary to reimburse State for costs incurred by such Agency breach. Agency will be ineligible to receive or apply for any Title 23, United States Code funds until State receives full reimbursement of the costs incurred.

EXHIBIT B
Federal Funding Accountability and Transparency Act (FFATA)
Subaward Reporting

(For purposes of this Exhibit, references to "your organization" shall mean "Agency" and references to "ODOT" shall mean "State.")

The Oregon Department of Transportation (ODOT) is required to fulfill a federal requirement for contracting under the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS). FFATA reporting is a requirement for subawards (also known as subrecipients) of federal awards in excess of \$25,000,000. Your organization will enter into an agreement with ODOT where the funding source is a federal grant with a subrecipient relationship. Your organization is required to submit the information below to the Oregon Department of Transportation within fourteen calendar days of execution of the Agreement and annually thereafter, if applicable. (See the following page for further details.)

Legal entity name:

Data Universal Number System (DUNS) number:

Executive compensation

Executive compensation information is also required to determine whether or not the following information must be reported in FSRS:

- a. In your organization's previous fiscal year, did your organization receive 80% or more of its annual gross revenue and \$25,000,000 or more in federal procurement contracts, subcontracts, loans, grants, subgrants, cooperative agreements and federal financial assistance awards subject to the Transparency Act? (Include parent organization, all branches, and all affiliates worldwide.)

Yes No If "yes," proceed to b. If "no," no further action is required and submittal of this form is not required.

- b. Does the public have access to information about the compensation of the senior executives in your organization (including parent organization, all branches, and all affiliates worldwide) through periodic reports filed under section 13(a) or 15(d) of the Securities and Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

Yes No If "yes," provide a link to the SEC: <http://www.sec.gov> where this information is located and return form to the ODOT contact shown at the bottom of this form.

Provide link here:

If "no," provide compensation information below.

Names and annual compensation amounts of the five most highly compensated executives:

1.	\$
2.	\$
3.	\$
4.	\$
5.	\$

Business entity contact information (person completing form):

Type name	Title	Date
-----------	-------	------

Return completed form to: **Jeff Flowers, Program and Funding Services Manager; Oregon Department of Transportation; 555 13th Street NE; Salem, OR 97301; Jeffrey.A.FLOWERS@odot.state.or.us**

Background on FFATA requirements

The Federal Funding Accountability and Transparency Act (FFATA) was signed on September 26, 2006. The intent of the Act is to empower every American with the ability to hold the government accountable for each spending decision. The end result is to reduce wasteful spending in the government. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website, which is www.USASpending.gov.

Definition of compensation

Your organization is considered a subrecipient of federal funds. Unless your organization is exempt, FFATA requires you to report total compensation for each of your five most highly compensated executives for the preceding completed year. Total compensation means the cash and non-cash dollar value earned by the executive during the subrecipient's preceding fiscal year and includes the following: salary and bonus; awards of stock, stock options, and stock appropriation rights; earnings for services under non-equity incentive plans; change in pension value; above-market earnings on deferred compensation which is not tax-qualified; and other compensation as defined in 2 CFR Part 170, Section 170.330(b)(5)(vi).

More detailed information about the FFATA can be found at:
<http://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf>

If you have any questions, contact:

Jeff Flowers
Program and Funding Services Manager
Oregon Department of Transportation
555 13th Street NE
Salem, OR 97301
Jeffrey.A.FLOWERS@odot.state.or.us
Telephone: 503-986-4453

**LOCAL AGENCY AGREEMENT
MULTIMODAL TRANSPORTATION ENHANCE PROGRAM (MTEP)
US 20: 54th Avenue – Riggs Hill Road (Sweet Home)
City of Sweet Home**

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

RECITALS

1. By the authority granted in Oregon Revised Statute (ORS) 190.110, 366.572 and 366.576, State may enter into cooperative agreements with counties, cities and units of local governments for the performance of work on certain types of improvement projects with the allocation of costs on terms and conditions mutually agreeable to the contracting parties.
2. US 20 is a part of the state highway system under the jurisdiction and control of the Oregon Transportation Commission (OTC). 54th Avenue and Riggs Hill Road are part of the city street system under the jurisdiction and control of Agency.
3. Agency has been awarded MTEP funding in the amount of \$1,276,965.00 for the Preliminary Engineering and Construction phases of US 20: 54th Avenue – Riggs Hill Road (Sweet Home) project.
4. Agency has agreed that ODOT will oversee this project on behalf of the Agency.

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

DEFINITIONS

1. "Contract Award" (construction projects) means the issuance of a Notice to Proceed (NTP) to the construction contractor.
2. "Funding Ratio" means the relationship between MTEP funds and Total Project Cost and Other Funds and the Total Project Cost. This ratio is established at the time the agreement is executed and does not change during the course of the project. The ratio governs the obligation of MTEP funds at the time of construction/consultant award or Project Closeout.
3. "Match" means the minimum amount State or Agency must contribute to match the federal aid funding portion of the project.

Key No. 18853

City of Sweet Home/ODOT
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4. "MTEP" means Multimodal Transportation Enhance Program and may be funded by a combination of federal and state funds.
5. "Other Funds" means other funding required to complete the project including but not limited to state, federal, and agency funds.
6. "Project Closeout" means project is ready to close as there are no more expenditures associated with project.
7. "Project Overruns" means the final cost estimate at Contract Award exceeds the estimated Total Project Cost estimate in this Agreement, or the final actual project costs exceed the final cost estimate at Contract Award.
8. "Project Underrun" means the final cost estimate at Contract Award is below the estimated Total Project Cost in this Agreement, or the final actual project costs are below the final cost estimate at Contract Award.
9. "Total Project Cost" means the estimated amount as shown in this Agreement. This amount will include MTEP funds, local matching funds, and other funds as required to complete project as stated in this Agreement.

TERMS OF AGREEMENT

1. Under such authority, Agency and State agree to State constructing a multi-use path along Foster Lake in the City of Sweet Home, on behalf of Agency, hereinafter referred to as "Project" and is further defined below. The location of the Project is approximately as shown on the map attached hereto, marked "Exhibit A," and by this reference made a part hereof.
2. The Project Description and Deliverables are as follows:
 - a. Description: construct multi-use path, sidewalks and bike lanes along US 20 from 54th Avenue to Riggs Hill Road in the City of Sweet Home.
 - b. Deliverables: the Project includes installation of sidewalks between 55th and 60th Avenues on both sides of US 20, a sidewalk on the south side of US 20 extending 225 feet west from Riggs Hill Road and improvements to a multi-use path on the north side of US 20 extending 1700 feet west from Riggs Hill Road.
3. Both Parties agree that an amendment to this Agreement is required if any changes are made to the Project as described in Project Description and Deliverables above.
4. The Project shall be conducted as a part of the Multimodal Transportation Enhance Program (MTEP) with funds provided under Title 23, United States Code and may include a combination of federal and state funds. The Total Project Cost is estimated at \$1,800,500.00, which is subject to change. Federal funding for this Project shall be limited to \$1,276,965.00. Agency shall be responsible for all

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Agreement No. 31705**

remaining costs, including the 10.27 percent match for all eligible costs, any non-participating costs, and all costs in excess of the available federal or state funds.

5. The Funding Ratio for this Project is 70.92% of MTEP funds to 29.08% Agency funds and applies to Project Underruns. The Funding Ratio for this Project does not apply in the case of Project Overruns.
6. If, at the time of Contract Award or Project Closeout, the Project Underruns the estimated Total Project Cost in this Agreement, MTEP funding and Other Funds will be obligated proportionally based on the Funding Ratio. Any unused MTEP funds, will be retained by State, and will not be available for use by Agency for this Agreement or any other projects.
7. Project Overruns which occur at the time of Contract Award, and or at the time of Project Closeout are the responsibility of the Agency.
8. Except as provided for in Attachment No. 1, Special Provisions No. 2, Project decisions regarding design standards, design exceptions, utility relocation expenses, right of way needs, preliminary engineering charges, construction engineering charges, and Contract Change Orders, as applicable shall be mutually agreed upon between the Agency and the State, as these decisions may impact the Total Project Cost. However, State may award a construction contract at ten (10) percent (%) over engineer's estimate without prior approval of Agency.
9. State will submit the requests for federal funding to Federal Highway Administration (FHWA). The federal funding for this Project is contingent upon approval of each funding request by FHWA. Any work performed prior to acceptance by FHWA or outside the scope of work will be considered nonparticipating and paid for at Agency expense.
10. State considers Agency a subrecipient of the federal funds it receives as reimbursement under this Agreement. The Catalog of Federal Domestic Assistance (CFDA) number and title for this Project is 20.205, Highway Planning and Construction.
11. The term of this Agreement shall begin on the date all required signatures are obtained and shall terminate upon completion of the Project and final payment or ten (10) calendar years following the date all required signatures are obtained, whichever is sooner.
12. This Agreement may be terminated by mutual written consent of both Parties.
13. State may terminate this Agreement effective upon delivery of written notice to Agency, or at such later date as may be established by State, under any of the following conditions:

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- a. If Agency fails to provide services called for by this Agreement within the time specified herein or any extension thereof.
 - b. If Agency fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from State fails to correct such failures within ten (10) days or such longer period as State may authorize.
 - c. If Agency fails to provide payment of its share of the cost of the Project.
 - d. If State fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.
 - e. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or if State is prohibited from paying for such work from the planned funding source.
14. a. Information required by 2 CFR 200.331(a), except for (xiii) Indirect cost rate, shall be contained in the USDOT FHWA Federal Aid Project Agreement for this Project, a copy of which shall be provided by ODOT to Agency with the Notice to Proceed.
- i) The indirect cost rate for this project at the time the agreement is written is zero (0%) percent.
15. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
16. The Special and Standard Provisions attached hereto, marked Attachments 1 and 2, respectively, are by this reference made a part hereof. The Standard Provisions apply to all federal-aid projects and may be modified only by the Special Provisions. The Parties hereto mutually agree to the terms and conditions set forth in Attachments 1 and 2. In the event of a conflict, this Agreement shall control over the attachments, and Attachment 1 shall control over Attachment 2.
17. Agency, as a recipient of federal funds, pursuant to this Agreement with the State, shall assume sole liability for Agency's breach of any federal statutes, rules, program requirements and grant provisions applicable to the federal funds, and shall, upon Agency's breach of any such conditions that requires the State to return funds to FHWA, hold harmless and indemnify the State for an amount equal to the funds received under this Agreement; or if legal limitations apply to the indemnification ability of Agency, the indemnification amount shall be the maximum amount of funds available for expenditure, including any available contingency funds or other available non-appropriated funds, up to the amount received under this Agreement.

City of Sweet Home/ODOT
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18. State and Agency hereto agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be invalid, unenforceable, illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.
19. Agency certifies and represents that the individual(s) signing this Agreement has been authorized to enter into and execute this Agreement on behalf of Agency, under the direction or approval of its governing body, commission, board, officers, members or representatives, and to legally bind Agency.
20. This Agreement may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.
21. This Agreement and attached exhibits constitute the entire agreement between the Parties on the subject matter hereof. In the event of conflict, the body of this Agreement and the attached Exhibits will control over Project application and documents provided by Agency to State. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of State to enforce any provision of this Agreement shall not constitute a waiver by State of that or any other provision.
22. State Contact for this Agreement is Brennan Burbank, Local Agency Liaison, ODOT, Region 2, 455 Airport Road SE, Building B, Salem Oregon 97301; telephone: (503) 986-2825; email: brennan.burbank@odot.state.or.us, or assigned designee upon individual's absence. State shall notify the other Party in writing of any contact information changes during the term of this Agreement.
23. Agency's Contact for this Project is Ray Towry, City Manager, City of Sweet Home, 1140 12th Avenue, Sweet Home, Oregon 97386; telephone (541) 367-6243; email: rtowry@ci.sweet-home.or.us, or assigned designee upon individual's absence. Agency shall notify the other Party in writing of any contact information changes during the term of this Agreement.

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

This Project is in the 2015-2018 Statewide Transportation Improvement Program (STIP), (Key #18853) that was adopted by the Oregon Transportation Commission on December 18, 2014 (or subsequently by amendment to the STIP).

City of Sweet Home/ODOT
Agreement No. 31705

CITY OF SWEET HOME, by and through
its elected officials

By [Signature]
Title: Mayor

Date 8/28/17

By [Signature]
Title: City Manager

Date 08/28/17

APPROVED AS TO LEGAL
SUFFICIENCY

By [Signature]
Agency Counsel

Date 8/28/17

Agency Contact:
Ray Towry, City Manager
City of Sweet Home
1140 12th Avenue
Sweet Home, Oregon 97396
(541) 367-6243
Email: rtowry@ci.sweet-home.or.us

State Contact:
Brennan Burbank, Local Agency Liaison
ODOT, Region 2
455 Airport Road SE, Building B
Salem, Oregon 97301
(503) 986-2825
Email: Brennan.burbank@odot.state.or.us

STATE OF OREGON, by and through
its Department of Transportation

By [Signature]
Highway Division Administrator

Date 9/12/17

APPROVAL RECOMMENDED

By [Signature]
State Traffic and Roadway Manager

Date 9-11-17

By [Signature]
Region 2 Manager

Date 9-8-17

By [Signature]
Area 4 Manager

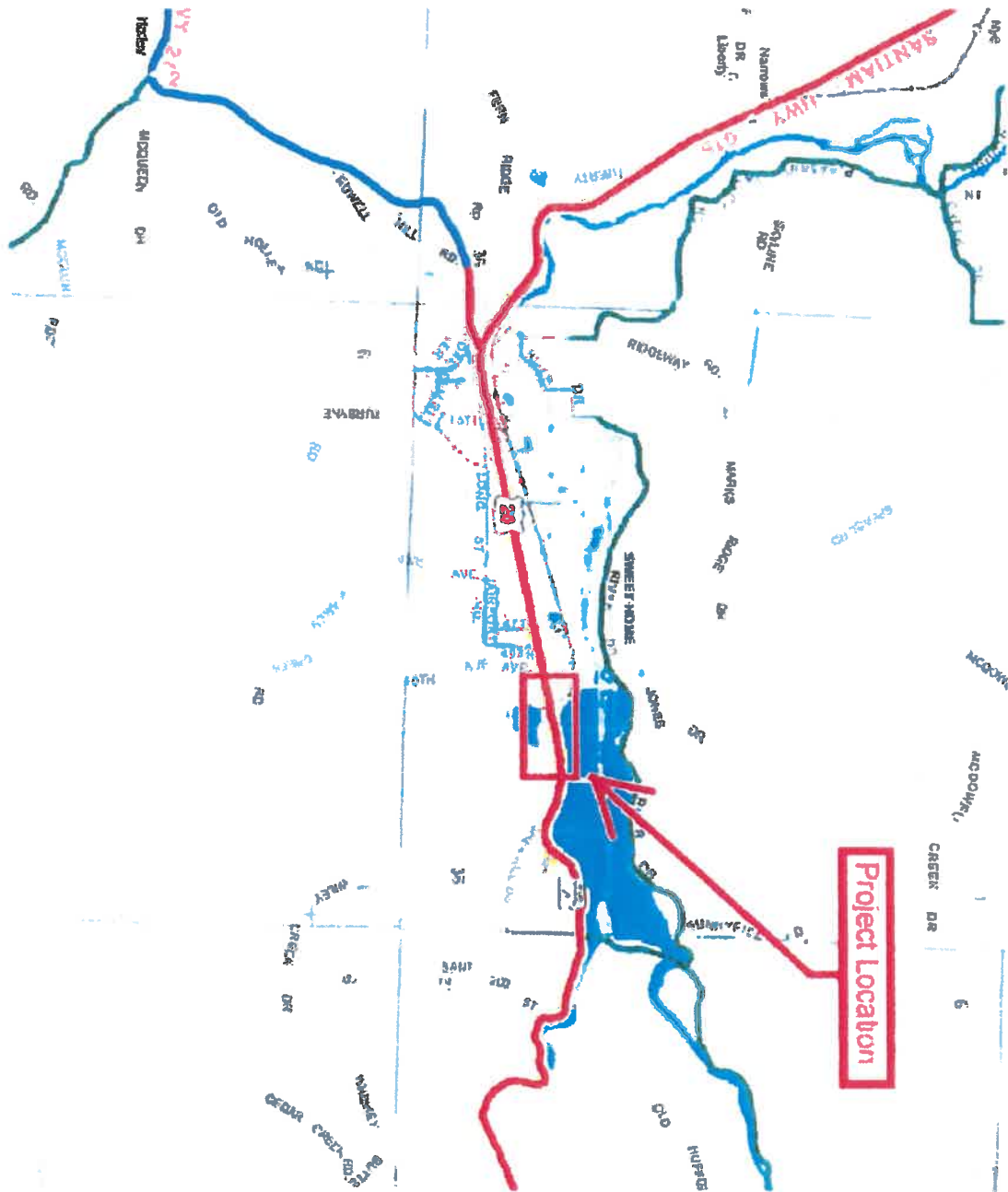
Date 9/5/2017

APPROVED AS TO LEGAL
SUFFICIENCY

By [Signature]
Assistant Attorney General

Date 9/5/2017

EXHIBIT A – Project Location



**ATTACHMENT NO. 1
SPECIAL PROVISIONS**

1. State, or the consultant, shall conduct the necessary field surveys, environmental studies, traffic investigations, foundation explorations, hydraulic studies, assist with acquisition of necessary right of way and easements; obtain all required permits and arrange for all utility relocations/adjustments. State or the consultant shall conduct all work components necessary to complete the Project.
2. When the Project scope includes work on sidewalks and curb ramps, or triggers an obligation to address curb ramps, the Parties shall:
 - a. Utilize ODOT standards to assess and ensure Project compliance with the American's with Disabilities Act of 1990 (ADA), including ensuring that all sidewalks and curb ramps meet current ODOT Highway Design Manual standards;
 - b. Follow ODOT's processes for design, modification, upgrade, or construction of sidewalks, curb ramps, and pedestrian-activated signals, including using the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, and current ODOT Curb Ramp Inspection form
 - c. At Project completion, send an ODOT Curb Ramp Inspection Form 734-5020 to the address on the form as well as to State's Project Manager for each curb ramp constructed, modified, upgraded, or improved as part of the Project. The completed form is the documentation required to show that each curb ramp meets ODOT standards and is ADA compliant. ODOT's fillable Curb Ramp Inspection Form and instructions are available at the following address:
<http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/Pages/HwyConstForms1.aspx>
3. Agency shall, at its own expense, maintain and periodically inspect any sidewalks and curb ramps on portions of the Project under Agency's maintenance jurisdiction upon Project completion and throughout the useful life of the Project to ensure continuing compliance with the ADA. This provision shall survive termination of this Agreement.
4. Upon State's award of the construction contract, State, or the consultant, shall be responsible for all required materials testing and quality documentation; and prepare necessary documentation with ODOT-qualified personnel, and State will make all contractor payments. Contract administration, construction engineering and inspection will follow the most current version of the ODOT Construction Manual and the ODOT Inspector's Manual.
5. Agency guarantees the availability of Agency funding in an amount required to fully fund Agency's share of the Project.

**City of Sweet Home/ODOT
Agreement No. 31705**

- 6. State will perform work throughout the duration of the Project and shall provide a preliminary estimate of State costs for this work. Prior to the start of each Project phase State shall provide an updated estimate of State costs for that phase. Such phases generally consist of Preliminary Engineering, Right of Way, Utility, and Construction. Agency understands that State's costs are estimates only and agrees to reimburse State for actual cost incurred per this Agreement.**
- 7. State and Agency agree that the useful life of this Project is defined as 20 years.**
- 8. Agency grants State the right to enter onto Agency right of way for the performance of duties as set forth in this Agreement.**
- 9. If Agency fails to meet the requirements of this Agreement or the underlying federal regulations, State may withhold the Agency's proportional share of Highway Fund distribution necessary to reimburse State for costs incurred by such Agency breach. Agency will be ineligible to receive or apply for any Title 23, United States Code funds until State receives full reimbursement of the costs incurred.**

ATTACHMENT NO. 2 FEDERAL STANDARD PROVISIONS

PROJECT ADMINISTRATION

1. State (ODOT) is acting to fulfill its responsibility to the Federal Highway Administration (FHWA) by the administration of this Project, and Agency (i.e. county, city, unit of local government, or other state agency) hereby agrees that State shall have full authority to carry out this administration. If requested by Agency or if deemed necessary by State in order to meet its obligations to FHWA, State will act for Agency in other matters pertaining to the Project. Prior to taking such action, State will confer with Agency concerning actions necessary to meet federal obligations. State or its consultant, with Agency involvement shall, if necessary, appoint and direct the activities of a Citizen's Advisory Committee and/or Technical Advisory Committee, conduct a hearing and recommend the preferred alternative. State and Agency shall each assign a person in responsible charge "liaison" to coordinate activities and assure that the interests of both Parties are considered during all phases of the Project.
2. Any project that uses federal funds in project development is subject to plans, specifications and estimates (PS&E) review and approval by FHWA or State acting on behalf of FHWA prior to advertisement for bid proposals, regardless of the source of funding for construction.
3. State will provide or secure services to perform plans, specifications and estimates (PS&E), construction contract advertisement, bid, award, contractor payments and contract administration. A State-approved consultant may be used to perform preliminary engineering, right of way and construction engineering services.

PROJECT FUNDING REQUEST

4. State shall submit a separate written Project funding request to FHWA requesting approval of federal-aid participation for each project phase including a) Program Development (Planning), b) Preliminary Engineering (National Environmental Policy Act - NEPA, Permitting and Project Design), c) Right of Way Acquisition, d) Utilities, and e) Construction (Construction Advertising, Bid and Award). Any work performed prior to FHWA's approval of each funding request will be considered nonparticipating and paid for at Agency expense. State, the consultant or Agency shall not proceed on any activity in which federal-aid participation is desired until such written approval for each corresponding phase is obtained by State. State shall notify Agency in writing when authorization to proceed has been received from FHWA. All work and records of such work shall be in conformance with FHWA rules and regulations.

FINANCE

5. Federal funds shall be applied toward Project costs at the current federal-aid matching ratio, unless otherwise agreed and allowable by law. Agency shall be responsible for the entire match amount for the federal funds and any portion of the Project, which is not covered by federal funding, unless otherwise agreed to and specified in the intergovernmental Agreement (Project Agreement). Agency must obtain written approval from State to use in-kind

**City of Sweet Home/ODOT
Agreement No. 31705**

contributions rather than cash to satisfy all or part of the matching funds requirement. If federal funds are used, State will specify the Catalog of Federal Domestic Assistance (CFDA) number in the Project Agreement. State will also determine and clearly state in the Project Agreement if recipient is a subrecipient or vendor, using criteria 2 CFR 200.330.

6. If the estimated cost exceeds the total matched federal funds available, Agency shall deposit its share of the required matching funds, plus 100 percent of all costs in excess of the total matched federal funds. Agency shall pay one hundred (100) percent of the cost of any item in which FHWA will not participate. If Agency has not repaid any non-participating cost, future allocations of federal funds or allocations of State Highway Trust Funds to Agency may be withheld to pay the non-participating costs. If State approves processes, procedures, or contract administration outside the Local Agency Guidelines Manual that result in items being declared non-participating by FHWA, such items deemed non-participating will be negotiated between Agency and State.
7. Agency agrees that costs incurred by State and Agency for services performed in connection with any phase of the Project shall be charged to the Project, unless otherwise mutually agreed upon by the Parties.
8. Agency's estimated share and advance deposit.
 - a) Agency shall, prior to commencement of the preliminary engineering and/or right of way acquisition phases, deposit with State its estimated share of each phase. Exception may be made in the case of projects where Agency has written approval from State to use in-kind contributions rather than cash to satisfy all or part of the matching funds requirement.
 - b) Agency's construction phase deposit shall be one hundred ten (110) percent of Agency's share of the engineer's estimate and shall be received prior to award of the construction contract. Any additional balance of the deposit, based on the actual bid must be received within forty-five (45) days of receipt of written notification by State of the final amount due, unless the contract is cancelled. Any balance of a cash deposit in excess of amount needed, based on the actual bid, will be refunded within forty-five (45) days of receipt by State of the Project sponsor's written request.
 - c) Pursuant to Oregon Revised Statutes (ORS) 366.425, the advance deposit may be in the form of 1) money deposited in the State Treasury (an option where a deposit is made in the Local Government Investment Pool), and an Irrevocable Limited Power of Attorney is sent to State's Active Transportation Section, Funding and Program Services Unit, or 2) an Irrevocable Letter of Credit issued by a local bank in the name of State, or 3) cash.
9. If Agency makes a written request for the cancellation of a federal-aid project; Agency shall bear one hundred (100) percent of all costs incurred as of the date of cancellation. If State was the sole cause of the cancellation, State shall bear one hundred (100) percent of all costs incurred. If it is determined that the cancellation was caused by third parties or circumstances beyond the control of State or Agency, Agency shall bear all costs, whether incurred by State or Agency, either directly or through contract services, and State shall bear any State administrative costs incurred. After settlement of payments, State shall deliver surveys, maps, field notes, and all other data to Agency.

City of Sweet Home/ODOT
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10. Agency shall follow the requirements stated in the Single Audit Act. Agencies expending \$500,000 or more in Federal funds (from all sources) in its fiscal year beginning prior to December 26, 2014, shall have a single organization-wide audit conducted in accordance with the Single Audit Act of 1984, PL 98-502 as amended by PL 104-156 and subject to the requirements of 49 CFR Parts 18 and 19. Agencies expending \$750,000 or more in federal funds (from all sources) in a fiscal year beginning on or after December 26, 2014 shall have a single organization-wide audit conducted in accordance with the provisions of 2 CFR part 200, subpart F. Agencies expending less than \$500,000 in Federal funds in a fiscal year beginning prior to December 26, 2014, or less than \$750,000 in a fiscal year beginning on or after that date, is exempt from Federal audit requirements for that year. Records must be available for review or audit by appropriate officials based on the records retention period identified in the Project Agreement. The cost of this audit can be partially prorated to the federal program.
11. Agency shall make additional deposits, as needed, upon request from State. Requests for additional deposits shall be accompanied by an itemized statement of expenditures and an estimated cost to complete the Project.
12. Agency shall present invoices for one hundred (100) percent of actual costs incurred by Agency on behalf of the Project directly to State's Liaison for review, approval and reimbursement to Agency. Costs will be reimbursed consistent with federal funding provisions and the Project Agreement. Such invoices shall identify the Project by the name of the Project Agreement, reference the Project Agreement number, and shall itemize and explain all expenses for which reimbursement is claimed. Invoices shall be presented for periods of not less than one-month duration, based on actual expenses to date. All invoices received from Agency must be approved by State's Liaison prior to payment. Agency's actual costs eligible for federal-aid or State participation shall be those allowable under the provisions of the Federal-Aid Policy Guide (FAPG), Title 23 CFR parts 1.11, 140 and 710. Final invoices shall be submitted to State for processing within forty-five (45) days from the end of each funding phase as follows: a) preliminary engineering, which ends at the award date of construction b) last payment for right of way acquisition and c) contract completion for construction. Partial billing (progress payment) shall be submitted to State within forty-five (45) days from date that costs are incurred. Invoices submitted after 45 days may not be eligible for reimbursement by FHWA. Agency acknowledges and agrees that State, the Oregon Secretary of State's Office, the federal government, and their duly authorized representatives shall have access to the books, documents, papers, and records of Agency which are directly pertinent to the Project Agreement for the purpose of making audit, examination, excerpts, and transcripts for a period ending on the later of six (6) years following the date of final voucher to FHWA or after resolution of any disputes under the Project Agreement. Copies of such records and accounts shall be made available upon request. For real property and equipment, the retention period starts from the date of disposition (2 CFR 200.333(c)).
13. Agency shall, upon State's written request for reimbursement in accordance with Title 23, CFR part 630.112(c) 1 and 2, as directed by FHWA, reimburse State for federal-aid funds distributed to Agency if any of the following events occur:
 - a) Right of way acquisition is not undertaken or actual construction is not started by the close of the twentieth federal fiscal year following the federal fiscal year in which the federal-aid funds were authorized for right of way acquisition. Agency may submit a written request to State's Liaison for a time extension beyond the twenty (20) year limit with no repayment of federal funds and State

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will forward the request to FHWA. FHWA may approve this request if it is considered reasonable.

- b) Right of way acquisition or actual construction of the facility for which preliminary engineering is undertaken is not started by the close of the tenth federal fiscal year following the federal fiscal year in which the federal-aid funds were authorized. Agency may submit a written request to State's Liaison for a time extension beyond the ten (10) year limit with no repayment of federal funds and State will forward the request to FHWA. FHWA may approve this request if it is considered reasonable.
14. State shall, on behalf of Agency, maintain all Project documentation in keeping with State and FHWA standards and specifications. This shall include, but is not limited to, daily work records, quantity documentation, material invoices and quality documentation, certificates of origin, process control records, test results, and inspection records to ensure that the Project is completed in conformance with approved plans and specifications.
15. State shall submit all claims for federal-aid participation to FHWA in the normal manner and compile accurate cost accounting records. State shall pay all reimbursable costs of the Project. Agency may request a statement of costs-to-date at any time by submitting a written request. When the actual total cost of the Project has been computed, State shall furnish Agency with an itemized statement of final costs. Agency shall pay an amount which, when added to said advance deposit and federal reimbursement payment, will equal one hundred (100) percent of the final total actual cost. Any portion of deposits made in excess of the final total costs of the Project, minus federal reimbursement, shall be released to Agency. The actual cost of services provided by State will be charged to the Project expenditure account(s) and will be included in the total cost of the Project.

STANDARDS

16. Agency and State agree that minimum design standards on all local agency jurisdictional roadway or street projects on the National Highway System (NHS) and projects on the non-NHS shall be the American Association of State Highway and Transportation Officials (AASHTO) standards and be in accordance with State's Oregon Bicycle & Pedestrian Design Guide (current version). State or the consultant shall use either AASHTO's A Policy on Geometric Design of Highways and Streets (current version) or State's Resurfacing, Restoration and Rehabilitation (3R) design standards for 3R projects. State or the consultant may use AASHTO for vertical clearance requirements on Agency's jurisdictional roadways or streets.
17. Agency agrees that if the Project is on the Oregon State Highway System or State-owned facility, that design standards shall be in compliance with standards specified in the current ODOT Highway Design Manual and related references. Construction plans for such projects shall be in conformance with standard practices of State and all specifications shall be in substantial compliance with the most current Oregon Standard Specifications for Highway Construction and current Contract Plans Development Guide.
18. State and Agency agree that for all projects on the Oregon State Highway System or State-owned facility any design element that does not meet ODOT Highway Design Manual design standards must be justified and documented by means of a design exception. State and Agency further agrees that for all projects on the NHS, regardless of funding source; any

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design element that does not meet AASHTO standards must be justified and documented by means of a design exception. State shall review any design exceptions on the Oregon State Highway System and retains authority for their approval. FHWA shall review any design exceptions for projects subject to Focused Federal Oversight and retains authority for their approval.

19. Agency agrees all traffic control devices and traffic management plans shall meet the requirements of the current edition of the Manual on Uniform Traffic Control Devices and Oregon Supplement as adopted in Oregon Administrative Rule (OAR) 734-020-0005. State or the consultant shall, on behalf of Agency, obtain the approval of the State Traffic Engineer prior to the design and construction of any traffic signal, or illumination to be installed on a state highway pursuant to OAR 734-020-0430.
20. The standard unit of measurement for all aspects of the Project shall be English Units. All Project documents and products shall be in English. This includes, but is not limited to, right of way, environmental documents, plans and specifications, and utilities.

PRELIMINARY & CONSTRUCTION ENGINEERING

21. Preliminary engineering and construction engineering may be performed by either a) State, b) State-approved consultant, or c) certified agency. Engineering work will be monitored by State or certified agency to ensure conformance with FHWA rules and regulations. Project plans, specifications and cost estimates shall be performed by either a) State, b) State-approved consultant or c) certified agency. State shall review and approve Project plans, specifications and cost estimates. State shall, at project expense, review, process and approve, or submit for approval to the federal regulators, all environmental statements. State shall, offer Agency the opportunity to review and approve the documents prior to advertising for bids.
22. Agency may request State's two-tiered consultant selection process as allowed by OAR 137-048-0260 to perform architectural, engineering, photogrammetry, transportation planning, land surveying and related services (A&E Services) as needed for federal-aid transportation projects. Use of the State's processes is required to ensure federal reimbursement. State will award and execute the contracts. State's personal services contracting process and resulting contract document will follow Title 23 CFR part 172, 2 CFR part 1201, ORS 279A.055, 279C.110, 279C.125, OAR 137-048-0130, OAR 137-048-0220(4) and State Personal Services Contracting Procedures as approved by the FHWA. Such personal services contract(s) shall contain a description of the work to be performed, a project schedule, and the method of payment. No reimbursement shall be made using federal-aid funds for any costs incurred by Agency or the consultant prior to receiving authorization from State to proceed.
23. The party responsible for performing preliminary engineering for the Project shall, as part of its preliminary engineering costs, obtain all Project related permits necessary for the construction of said Project. Said permits shall include, but are not limited to, access, utility, environmental, construction, and approach permits. All pre-construction permits will be obtained prior to advertisement for construction.
24. State or certified agency shall prepare construction contract and bidding documents, advertise for bid proposals, and award all construction contracts.

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25. Upon State's or certified agency's award of a construction contract, State or certified agency shall perform quality assurance and independent assurance testing in accordance with the FHWA-approved Quality Assurance Program found in State's Manual of Field Test Procedures, process and pay all contractor progress estimates, check final quantities and costs, and oversee and provide intermittent inspection services during the construction phase of the Project.
26. State shall, as a Project expense, assign a liaison to provide Project monitoring as needed throughout all phases of Project activities (preliminary engineering, right-of-way acquisition, and construction). State's liaison shall process reimbursement for federal participation costs.

**REQUIRED STATEMENT FOR United States Department of Transportation (USDOT)
FINANCIAL ASSISTANCE AGREEMENT**

27. By signing the Federal-Aid Agreement to which these Federal Standard Provisions are attached, Agency agrees to adopt State's DBE Program Plan, available at https://www.oregon.gov/ODOT/CS/CIVILRIGHTS/Pages/dbe_prog_plan.aspx. Agency shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any USDOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR part 26. Agency agrees to take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of USDOT-assisted contracts. State's DBE program, as required by 49 CFR part 26 and as approved by USDOT, is incorporated by reference in this Project Agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this Project Agreement. Upon notification to the recipient of its failure to carry out its approved program, the USDOT may impose sanctions as provided for under part 26 and may, in appropriate cases, refer the matter for enforcement under 18 United States Code (USC) 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 USC 3801 et seq.).

Disadvantaged Business Enterprises (DBE) Obligations

28. State and Agency agree to incorporate by reference the requirements of 49 CFR part 26 and State's DBE Program Plan, as required by 49 CFR part 26 and as approved by USDOT, into all contracts entered into under this Project Agreement. The following required DBE assurance shall be included in all contracts:

"The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of Title 49 CFR part 26 in the award and administration of federal-aid contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as Agency deems appropriate. Each subcontract the contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b))."

29. State and Agency agree to comply with all applicable civil rights laws, rules and regulations, including Title V and Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990 (ADA), and Titles VI and VII of the Civil Rights Act of 1964.
30. The Parties hereto agree and understand that they will comply with all applicable federal, state, and local laws, regulations, executive orders and ordinances applicable to the work

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including, but not limited to, the provisions of ORS 279C.505, 279C.515, 279C.520, 279C.530 and 279B.270, incorporated herein by reference and made a part hereof; Title 23 CFR parts 1.11, 140, 635, 710, and 771; Title 49 CFR parts 24 and 26; , 2 CFR 1201; Title 23, USC, Federal-Aid Highway Act; Title 41, Chapter 1, USC 51-58, Anti-Kickback Act; Title 42 USC; Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended, the provisions of the FAPG and *FHWA Contract Administration Core Curriculum Participants Manual & Reference Guide*. State and Agency agree that FHWA-1273 Required Contract Provisions shall be included in all contracts and subcontracts verbatim and not by reference.

RIGHT OF WAY

31. State and the consultant, if any, agree that right of way activities shall be in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, ORS Chapter 35, FAPG, CFR, and the *ODOT Right of Way Manual*, Title 23 CFR part 710 and Title 49 CFR part 24. State, at Project expense, shall review all right of way activities engaged in by Agency to ensure compliance with all laws and regulations.
32. State is responsible for proper acquisition of the necessary right of way and easements for construction and maintenance of projects. State or the consultant may perform acquisition of the necessary right of way and easements for construction and maintenance of the Project in accordance with the *ODOT Right of Way Manual*, and with the prior approval from State's Region Right of Way office.
33. Regardless of who acquires or performs any of the right of way activities, a right of way services agreement shall be created by State's Region Right of Way office setting forth the responsibilities and activities to be accomplished by each Party. If the Project has the potential of needing right of way, to ensure compliance in the event that right of way is unexpectedly needed, a right of way services agreement will be required. State, at Project expense, shall be responsible for requesting the obligation of project funding from FHWA. State, at Project expense, shall be responsible for coordinating certification of the right of way, and providing oversight and monitoring. Funding authorization requests for federal right of way funds must be sent through State's Liaison, who will forward the request to State's Region Right of Way office on all projects. State or the consultant must receive written authorization to proceed from State's Right of Way Section prior to beginning right of way activities. All projects must have right of way certification coordinated through State's Region Right of Way office to declare compliance and project readiness for construction (even for projects where no federal funds were used for right of way, but federal funds were used elsewhere on a project). State's Liaison shall contact State's Region Right of Way office for additional information or clarification on behalf of Agency.
34. Agency agrees that if any real property purchased with federal-aid participation is no longer needed for the originally authorized purpose, the disposition of such property shall be subject to applicable rules and regulations, which are in effect at the time of disposition. Reimbursement to State and FHWA of the required proportionate shares of the fair market value may be required.
35. State or the consultant shall ensure that all project right of way monumentation will be conducted in conformance with ORS 209.155.

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36. State and Agency grants each other authority to enter onto the other's right of way for the performance of non-construction activities such as surveying and inspection of the Project.

RAILROADS

37. State or Agency shall follow State established policy and procedures when impacts occur on railroad property. The policy and procedures are available through the State's Liaison, who will contact State's Railroad Liaison on behalf of Agency. Only those costs allowable under Title 23 CFR part 140 subpart I, and Title 23 part 646 subpart B shall be included in the total Project costs; all other costs associated with railroad work will be at the sole expense of Agency, or others. Agency may request State, in writing and, at Project expense, to provide railroad coordination and negotiations through the State's Utility & Railroad Liaison on behalf of Agency. However, State is under no obligation to agree to perform said duties.

UTILITIES

38. State, the consultant, or Agency shall follow State established statutes, policies and procedures when impacts occur to privately or publicly-owned utilities. Policy, procedures and forms are available through the State Utility Liaison or State's Liaison. State, the consultant or Agency shall provide copies of all signed utility notifications, agreements and Utility Certification to the State Utility & Railroad Liaison. Only those utility relocations, which are eligible for reimbursement under the FAPG, Title 23 CFR part 645 subparts A and B, shall be included in the total Project costs; all other utility relocations shall be at the sole expense of Agency, or others. Agency may send a written request to State, at Project expense, to arrange for utility relocations/adjustments lying within Agency jurisdiction. This request must be submitted no later than twenty-one (21) weeks prior to bid let date. Agency shall not perform any utility work on state highway right of way without first receiving written authorization from State.

GRADE CHANGE LIABILITY

39. Agency, if a County, acknowledges the effect and scope of ORS 105.755 and agrees that all acts necessary to complete construction of the Project which may alter or change the grade of existing county roads are being accomplished at the direct request of the County.
40. Agency, if a City, hereby accepts responsibility for all claims for damages from grade changes. Approval of plans by State shall not subject State to liability under ORS 105.760 for change of grade.
41. Agency, if a City, by execution of the Project Agreement, gives its consent as required by ORS 373.030(2) to any and all changes of grade within the City limits, and gives its consent as required by ORS 373.050(1) to any and all closure of streets intersecting the highway, if any there be in connection with or arising out of the Project covered by the Project Agreement.

MAINTENANCE RESPONSIBILITIES

42. Agency shall, at its own expense, maintain operate, and provide power as needed upon Project completion at a minimum level that is consistent with normal depreciation and/or service demand and throughout the useful life of the Project. The useful life of the Project is defined in the Special Provisions. State may conduct periodic inspections during the life of

the Project to verify that the Project is properly maintained and continues to serve the purpose for which federal funds were provided. Maintenance and power responsibilities shall survive any termination of the Project Agreement. In the event the Project will include or affect a state highway, this provision does not address maintenance of that state highway.

CONTRIBUTION

43. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against State or Agency with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.
44. With respect to a Third Party Claim for which State is jointly liable with Agency (or would be joined in the Third Party Claim), State shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Agency in such proportion as is appropriate to reflect the relative fault of State on the one hand and of Agency on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of State on the one hand and of Agency on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. State's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if State had sole liability in the proceeding.
45. With respect to a Third Party Claim for which Agency is jointly liable with State (or would be joined in the Third Party Claim), Agency shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by State in such proportion as is appropriate to reflect the relative fault of Agency on the one hand and of State on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Agency on the one hand and of State on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Agency's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

ALTERNATIVE DISPUTE RESOLUTION

46. The Parties shall attempt in good faith to resolve any dispute arising out of this Project Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.

WORKERS' COMPENSATION COVERAGE

47. All employers, including Agency, that employ subject workers who work under this Project Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under ORS 656.126. Employers Liability Insurance with coverage limits of not less than five hundred thousand (\$500,000) must be included. State and Agency shall ensure that each of its contractors complies with these requirements.

LOBBYING RESTRICTIONS – pursuant to Form FHWA-1273, Required Contract Provisions

48. Agency certifies by signing the Project Agreement that:

- a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, and contracts and subcontracts under grants, subgrants, loans, and cooperative agreements) which exceed one hundred thousand dollars (\$100,000), and that all such subrecipients shall certify and disclose accordingly.
- d) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31, USC Section 1352.
- e) Any person who fails to file the required certification shall be subject to a civil penalty of not less than ten thousand dollars (\$10,000) and not more than one hundred thousand dollars (\$100,000) for each such failure.

KN 18853 US20: 54th Ave - Riggs Hill Rd. (Sweet Home) Funding obligation

Description	Federal funds	State funds	Local funds	Total	Match	Override responsibility
Enhance project	\$1,276,965.00	-	\$299,535.00	\$1,576,500.00	19% City of Sweet Home match required.	City of Sweet Home
2 Midblock crossing Extra Sidewalks Infront of mill property	\$141,587.49	\$58,412.51	-	\$200,000.00	Federal Earmark funds + match (SWIP) are to be spent first and then SWIP funds the balance until the SWIP funds have been exhausted.	SWIP funds are limited to \$466,205.32 for the project. Any overruns beyond this amount are the City of Sweet Home's responsibility.
Total	\$1,418,552.49	\$407,792.81	\$299,535.00	\$2,184,292.81	SWIP funds, no local match required.	



REQUEST FOR COUNCIL ACTION

PREFERRED AGENDA: August 14, 2018	TITLE: MOU for Community Grant	TYPE OF ACTION: <input type="checkbox"/> RESOLUTION
SUBMITTED BY: R. Towry, City Manager	Program with Sweet Home Community Foundation	<input checked="" type="checkbox"/> MOTION
REVIEWED BY: R. Snyder, City Attorney	ATTACHMENTS: Memorandum of Understanding	<input type="checkbox"/> OTHER

PURPOSE OF THIS RCA:

To finalize a Memorandum of Understanding with the Sweet Home Community Foundation to administer a community grant program.

BACKGROUND/CONTEXT:

The City Council instituted a Community Grant Program in the budget on different occasions throughout the years. Over the past five grant cycles the Council has awarded:

<u>FISCAL YR</u>	<u>AMOUNT</u>
2017/18	\$4000
2016/17	\$3500
2011/12	\$2000
2010/11	\$5000
2009/10	\$1995.77

The City's Community Grant Program mirrors not only the name but the goals of the Sweet Home Community Foundation's Community Grant Program.

At the May 22 City Council meeting, the Council discussed and came to a consensus that it made sense to combine the two as awards generally went to the same applicant groups. The Council felt that combining the two would help avoid redundant services and ease the burden for non-profit groups mostly comprised of volunteers.

This MOU invites a Councilor to sit in on the Sweet Home Community Foundation's deliberations for awards and allows termination of the agreement at any time.

Sweet Home Community Foundation board has approved this MOU.

City Attorney Snyder has approved this MOU as to form.

THE CHALLENGE/PROBLEM:

How to administer funding allocated in the budget for community improvement projects in the most efficient and effective manner?

STAKEHOLDERS:

- City Residents. Residents are the funding source, we work with the money they invest to operate the community government at a level of service they determine.

- City Councilors. Council members are the voice of the citizens we serve. Each member of this group is interested in providing the best service possible. They must balance leadership with representation. They tend to be fiscally very conservative.
- Management Team. The City is not built to be a granting organization and track the spending or regulate the validity of the spending of non-profit groups.
- Volunteer Fire Fighters Association. Volunteer group accepting responsibility for emergency response to accidents, fires and kittens stuck in trees. They answer to a full time Fire Chief and Assistant Fire Chief. Their influence and connections to the community can make them a powerful ally.
- Local Non-Profit Organizations. Local organizations comprised of community members and business owners. These organizations tend to have missions related to improving the quality of life in the community and are lead with volunteer labor.

ISSUES & FINANCIAL IMPACTS:

1. Sweet Home Community Foundation – By passing dedicated funds to the Sweet Home Community Foundation you increase the size of their grant program while decreasing the work on the non-profit groups and staff, crating efficiencies for all involved.

ELEMENTS OF A STABLE SOLUTION:

A tool to fairly distribute funds for community improvement projects in an efficient manner.

OPTIONS:

1. Do Nothing. Continue to have staff administer the Community Grant Program and local nonprofits will need to apply to both the City and Sweet Home Community Foundation.
2. Approve the MOU with the Sweet Home Community Foundation to administer a Community Grant Program as presented. This will enable staff to forward the allocated budget for the City Community Grant Program to the Sweet Home Community Foundation to administer the grant, saving local volunteers time and effort while finding efficiencies for staff.
3. Suggest changes to the MOU. Council can suggest changes to the proposed MOU.

RECOMMENDATION:

Staff recommends Council choose option #2 and make a motion to Approve the MOU with the Sweet Home Community Foundation to administer a Community Grant Program as presented.

Staff will begin to work with the Sweet Home Community Foundation for front end information distribution and help to advertise. We will also follow up to ensure a Councilor is able to be present during the deliberations of the awards and get information for Council post award.

If you have any questions, please feel free to contact me.



Memorandum of Understanding



Background:

The Sweet Home Community Foundation is a 501 C (3) nonprofit organization that administers charitable funds received through gifts and bequests from individuals, businesses and other organizations. SHCF provides grants to qualified organizations within the community. In addition, SHCF assists local ad hoc groups with fundraising and project administration for worthy endeavors.

SHCF’s mission is to *“Improve the Quality life in the Sweet Home Community.”* A primary part of this mission is to build and maintain a long term endowment fund that will benefit the community in future years.

The City of Sweet Home, a municipal corporation, regularly budgets for and distributes monetary grants to community organizations using criteria consistent with the above stated mission of the Sweet Home Community Foundation. The City, in order to facilitate efficient use of these funds and to eliminate redundant funding, agrees to transfer these funds to SHCF for current and future community improvement and/or economic development within the City of Sweet Home.

Agreement:

This agreement is entered into between the Sweet Home Community Foundation, herein referred to as “The Foundation” and the City of Sweet Home, herein referred to as “The City”.

The City agrees to send to SHCF any funds budgeted for its Community Grant Program.

The Foundation agrees to utilize these funds, along with other financial resources, to fund its annual Sweet Home Community Grant Cycle

The City and The Foundation each agree to work together in a spirit of cooperation to address the goals common to both entities. A City representative is invited to attend the Foundation grant evaluation process in an advisory role.

This agreement may be terminated upon written notice by one party to the other.

Sweet Home Community Foundation
Robert Burford, President

Date

Greg Mahler, Mayor

Date

Ray Towry, City Manager

Date



REQUEST FOR COUNCIL ACTION

PREFERRED AGENDA: August 14, 2018	TITLE: City of Sweet Home Charter Amendment Review	TYPE OF ACTION: — RESOLUTION — MOTION <u>X</u> OTHER
SUBMITTED BY: Ray Towry, City Manager	ATTACHMENTS: City of Sweet Home Charter	
REVIEWED BY: Ray Towry, City Manager		

PURPOSE OF THIS RCA:

Staff is seeking a clear consensus from the City Council as to if the City of Sweet Home should move forward with the Charter revision process?

BACKGROUND/CONTEXT:

In early 2014, a Charter Review Committee was established with the purpose to review and make recommended changes to the 1986 City of Sweet Home Charter. Those recommendations included: simplified and gender-neutral language; removal of previous repealed sections no longer applicable; renumbered sections; removal of Charter Amendments no longer applicable and to conform to current law; revisions of Council voting requirements for actions of Council; removal of sections on damage suits and debts limits to use State law. Those were approved by voters during the November 2014 General Election.

Many elements of the current City Charter are dated practices.

THE CHALLENGE/PROBLEM:

There is a feeling the City of Sweet Home’s Charter has some dated elements within it that are not considered best practices, are cumbersome, inefficient and may not conform to current state law. Updating the City Charter to incorporate best practices as well as meets the Council’s goal to have an effective and efficient local government would serve the best interests of the community.

STAKEHOLDERS:

- City of Sweet Home Residents – Residents have asked for a more efficient and effective local government. The Charter is not always conducive to that.
- City of Sweet Home City Council – Council has set a goal to have a more efficient and effective local government. There is a feeling among some that specific provisions of the Charter runs contrary to that.
- City of Sweet Home City Staff – Staff strives to be effective and efficient.

ISSUES & FINANCIAL IMPACTS:

Changes to the current Charter must be authorized by a majority vote of the Sweet Home Citizens. Cost to add a Charter Amendment to the General Election Ballot are estimated to be +/- \$15,000. Additional Public Notice advertising fees, administrative fees and staffing time will be necessary.

In addition to citizens placing a bill (passed by a governing body) on the ballot using the referendum process, the local governing body may directly refer a change in ordinance to the ballot, for voters to adopt or reject.

The governing body must refer all changes to adopted charters, so voters may adopt or reject the amendment.

ELEMENTS OF A STABLE SOLUTION:

A Charter that allows efficient and effective local government while still balancing the need for transparency in process.

OPTIONS:

1. Do Nothing. Council could choose to not pursue a Charter revision.
2. Direct staff to research necessary steps to begin Charter revisions by consensus. Council could choose to direct staff to research necessary steps, time lines, and processes and bring a full report back to the Council.
3. Create a Charter Review Committee by consensus. Council support the Mayor creating an Ad Hoc Charter Review Committee to suggest changes to the Charter and recommend a Revision Process by consensus.

RECOMMENDATION:

Staff recommends option #3, By consensus, support the Mayor to create a Charter Review Committee.

The Mayor can designate up to three Councilors to work on the committee and appoint an additional three to four members of the community to:

- 1) Review the Sweet Home Charter, other charters from other cities, study how the Sweet Home Charter supports operations and then decide if a Charter revision is needed,
- 2) Propose changes to the Sweet Home Charter,
- 3) Make a recommendation to the City Council on a process for the revision of the Sweet Home Charter which would culminate in a local ballot measure.

CITY OF SWEET HOME SWEET HOME, OREGON

CHARTER



Completely Revised January 2015

AN ACT TO REVISE THE CHARTER OF THE CITY OF SWEET HOME, LINN COUNTY, OREGON.

Be it enacted by the City of Sweet Home, Linn County, Oregon:

**CHAPTER I
NAME, BOUNDARIES, POWERS AND GENERAL PROVISIONS**

Section 1. Name and Boundaries. The City of Sweet Home, Linn County, Oregon shall, upon the taking effect of this charter, continue to be a municipal corporation under the name of the City of Sweet Home.

The city includes all territory within its boundaries as they now exist or are legally modified. The city will maintain as a public record an accurate and current description of the boundaries.

Section 2. Powers of the City. Subject only to limitations provided in this charter, the city shall have all rights, powers, privileges and immunities now or hereafter granted either expressly or impliedly to municipalities by the constitution, statutes and common law of the state, as fully as though each of such rights, powers, privileges and immunities were specifically stated in this charter.

The enumeration of or reference to particular rights, powers, privileges and immunities in this charter shall not be construed to be exclusive. This charter shall be liberally construed to the end that the city may have all necessary powers for the conduct of its municipal affairs, as contemplated by the municipal home rule provision of the constitution and laws of the state.

**CHAPTER II
FORM OF GOVERNMENT**

Section 3. Council and Mayor. Except as otherwise provided in this charter, all powers of the city shall be vested in a council of seven members nominated and elected from the city at large.

At each biennial general election, four councilors shall be elected. The three receiving the highest number of votes shall each hold office for four years, and the one receiving the number of votes next to the three highest shall hold office for two years. Tie votes shall be determined by lot.

At its first meeting of the new term after each biennial general election, the council shall elect from its membership a chairperson who shall be mayor for a term of two years.

The mayor and councilors in office at the time of adoption of this charter shall continue in office until the expiration of their respective terms, with powers and duties as provided in this charter.

Section 4. City Attorney, Manager and Municipal Judge. The council shall appoint and keep in office a city attorney, city manager who shall also serve as the city recorder, and a municipal judge, who shall hold office subject to the discretion of the council and may be removed by the council with or without cause.

Section 5. Other City Officers and Employees. The city manager shall appoint a treasurer, a chief of police and such other officers and employees of the city as the council deems necessary, and may remove any of them at any time with or without cause. The council may by resolution require any officer to fill and perform the duties of two or more offices.

Section 6. Salaries. The council shall fix the compensation of all city officers and employees.

Section 7. Bonds of Officers, Employees and Contractors. If ordinances require, every person appointed to an office or place of public employment in the city or entering into a contract with the city shall give the city a bond for the faithful performance of his/her duties. Nothing in this section, however, shall detract from the effect of Section 20.

CHAPTER III ELECTIONS

Section 8. Regulation of Elections. Except as this charter provides otherwise and as the council provides otherwise by ordinance relating to elections, the general law of the state shall apply to the conduct of all city elections, recounts of the returns therefrom, and contest thereof. Any qualified elector who has resided in the city at least one year may be nominated for the council or for mayor.

Section 9. Special Elections. The council may by resolution or ordinance order a special election and provide the time, manner and means for holding it. At least 10 days notice shall be given of each special election.

Section 10. Commencement of Terms of Office. The term of office of each person elected to office at a regular city election shall commence on the first Monday of January following the election. In the case of an election to fill an existing vacancy in office, the person elected shall enter upon his/her office immediately.

Section 11. Oath of Office. Each officer, before entering upon the duties of his/her office, shall take an oath that he/she will support the constitution and laws of the United States and the state, and that he/she will faithfully perform the duties of his/her office.

CHAPTER IV VACANCIES

Section 12. Vacancies in Office Generally. An office shall be deemed vacant upon the incumbent's death, insanity, conviction of a felony, resignation, removal from the city or absence from the city for a period of 30 days without the consent of the council in case of the mayor, manager, municipal judge or councilor, or without the consent of the manager in case of officers appointed by the manager; upon the incumbent's ceasing to possess the qualifications necessary for office; or upon the failure of the person elected or appointed to an office to qualify therefore on or before the day of his/her term of office commences; and in case of the mayor or a councilor, upon his/her absence from meetings of the council for 60 days without the consent of the council.

Section 13. Manner in Which Vacancies Shall Be Filled. Vacancies in office filled by election or by appointment by the council shall be filled by appointment by the council at any regular or special meeting, and the person so appointed shall serve the full unexpired term and until his/her successor is chosen and qualified. Vacancies in offices filled by appointment by the manager shall be filled by appointment by the manager. An officer appointed to fill a vacancy shall within 24 hours after his/her appointment qualify for office, and unless he/she does so, the office shall be considered vacant. During the temporary absence of any officer from the city for any cause his/her office may be filled temporarily in the manner provided for filling vacancies in office.

CHAPTER V THE COUNCIL

Section 14. Council Meetings. The council shall provide for the time and place of its regular meetings and adopt rules and regulations for the government of its members and proceedings. It shall hold at least one regular meeting each month. Special meetings of the council may be called by the mayor, either upon his/her own motion or upon the request of at least three members of the council, and held at any time, upon verbal or written notice to all members of the council then in the city. Special meetings of the council may also be held by the common consent of all members of the council.

Section 15. Quorum. A majority of council members is a quorum to conduct business, but a smaller number may meet and adjourn from time to time to compel the attendance of absent members in the manner provided by ordinance. The council shall keep a journal of its proceeding, and on the call of two members shall the yeas and nays to be taken and entered in the journal upon any question before it except a motion to adjourn. The proceedings of the council shall be public.

Section 16. Mayor's Duties at Council Meetings. The Mayor shall be chairperson of the council and shall preside over its deliberations. He/she shall have authority to preserve order, enforce the rules of council and determine the order of business, subject to the rules of the council. He/she may vote as a councilor.

Section 17. President Pro Tem. At its first meeting in the new term after each biennial election, the council shall elect from its membership, a president pro tem for a term of two years. The president pro tem shall perform the duties of the mayor in the absence of the mayor.

Section 18. Vote Required. The concurrence of a majority of a quorum shall be required to determine any matter before the council except as provided otherwise in this charter.

CHAPTER VI POWERS AND DUTIES OF THE CITY OFFICERS

Section 19. Mayor. The mayor shall appoint the various committees provided for under the rules of the council or otherwise and shall fill all vacancies in committees of the council from that body. He/she shall sign all ordinances passed by the council within three days after their passage. He/she shall sign all instruments and writings authorized by this charter, the laws of the state or the council. In the absence of the mayor, such instruments shall be signed by the president pro tem of the council. All orders on the city treasurer shall be signed by two of the three following named city officers, being the mayor, the city manager and the city treasurer.

Section 20. Manager.

(a) Qualifications. The manager shall be the administrative head of the city government. He/she shall be chosen by the council without regard to political consideration and solely with reference to his/her executive and administrative qualifications. Before entering upon his/her duties, the manager shall file with the mayor an official bond for faithful performance thereof, payable to the city in the sum of \$10,000, the premium of which shall be paid by the city. The bond shall be to the satisfaction of the council, and the approval of the mayor shall be endorsed thereon.

(b) Term. The manager shall be appointed for an indefinite term, but may be removed with a vote of four members of the council. Upon any vacancy occurring in the office of the manager subsequent to the first appointment hereunder, the council shall, at its next meeting, adopt a resolution of its intention to appoint a manager, and no such appointment shall be made until at least four weeks after adoption of the resolution. The council shall appoint a manager within a reasonable time after the adoption of the resolution of intention.

(c) Powers and duties. The powers and duties of the manager shall be:

(1) To see that all ordinances are enforced.

(2) To appoint all heads of departments and other city officers and employees, and remove them at pleasure, and to have general supervision and control over them, except as otherwise provided in this charter. All such appointments shall be made upon the basis of merit and fitness alone.

(3) To see that the provisions of all franchises, leases, contracts, permits and privileges granted by the city are fully observed, and to report to the council any violations thereof.

(4) To attend all meetings of the council unless excused therefrom by three councilors or by the mayor.

(5) To act as purchasing agent for all departments of the city. All purchases shall be made in accordance with the council approved city purchasing policy.

(6) To examine or cause to be examined, without notice, the official conduct of any officer, assistant, deputy, clerk or employee in any of the departments of city government, except councilors.

(7) To keep the council advised to the needs of the city.

(8) To prepare and submit to the budget committee the annual budget estimate and such reports as may be required by that body.

(9) To submit to the council an annual report of all departments of the city and such other reports as the council may require.

(10) To prepare or cause to be prepared plans and specification for work coming under his/her supervision which the council orders, and to provide such plans and specifications in sufficient number and in ample time to give full opportunity for all contractors who desire to bid thereon to do so.

(11) To have control, subject to such ordinances as may from time to time be adopted, for all public utilities owned or operated by the city.

(12) To have general supervision over all city property and its use by the public or city employees.

(13) To appoint such advisory boards as he/she may deem desirable to advise on, assist him/her in his/her work; but the members of such boards will receive no compensation as such board members.

(14) To perform such other duties as may be required by this charter or as the council may require of him/her.

(15) From time to time, in order to facilitate the prompt, economical and efficient dispatch of city business, to organize the work of the departments under his/her control, to assign assistants, deputies, and employees from any office or department of the city government to perform work or service in connection with any other office or department thereof, or to work in more than one said offices or departments thereof; provided, that no such change shall affect the powers or duties of any elective officer to the city.

(16) To serve as the city recorder and such to be clerk of the council, keep an accurate record of its proceedings in a book provided for that purpose, and countersign all instruments and writings by this charter or by the laws of the state or the city.

(d) Seats at Council Meetings. The manager and such other officers of the city as may be designated by vote of the council shall be entitled to seats with the council, but shall have no vote therein. The manager shall have the right to take part in the discussion of all matters coming before council.

(e) Manager Pro Tem. During the absence of the manager from the city, during his/her temporary disability to act as manager, or during the interim when the council is seeking a manager, the council shall appoint a manager pro tem who shall possess the powers and discharge the duties of the manager during such absence or disability only; provided, however that a manager pro tem shall have no authority to appoint or remove any city officer or employee except with the approval of five members of the council. No manager pro tem shall hold his/her position for more than six months. No appointment of a manager pro tem shall be consecutively renewed.

In case of the absence of the manager or the manager pro tem from council meetings, the council shall appoint a clerk of the council pro tem.

(f) Interference in Administration. No member of the council shall in any manner, directly or indirectly, by suggestion or otherwise, attempt to influence or coerce the manager in the making of any appointment or removal, or the purchase of supplies, or attempt to exact any promise relative to any appointment from any candidate for manager, or discuss, directly or indirectly, with any such candidate, the matter of appointments to any city office or employment. Any violation of the foregoing provisions of this section shall work a forfeiture of the office of the offending member of council, may be removed therefrom by the council or by any court of competent jurisdiction; provided, however, that nothing herein contained shall be construed as prohibiting the council, while in open session, discussing with or suggesting to the manager, fully and freely, anything pertaining to city affairs and for the best interest of the city. Neither the manager nor any person in the employ of the city shall take any part in securing, or shall contribute any money toward, the nomination or election of any candidate for the municipal office.

(g) Ineligible Persons. No person related to the manager by consanguinity or affinity within the third degree shall hold any appointive office or employment with the city.

Section 21. Municipal Judge. The municipal judge shall be the judicial officer of the city. He/she shall hold within the city a court known as the municipal court for the City of Sweet Home, Linn County, Oregon. The court shall be open for the transaction of the judicial business at times specified by the council. All areas within the city shall be within the territorial jurisdiction of the court. The municipal judge shall exercise original and exclusive jurisdiction of all offenses defined or authorized by ordinances of the city. He/she shall have authority to issue process for the arrest of any person accused of an offense against the ordinance of the city, to commit any such person to jail or admit him/her to bail pending trial, to issue subpoenas, to compel witnesses to appear and testify in court on the trail of any cause before him/her, to compel obedience to such subpoenas, to issue any process necessary to carry into effect the judgments of the court, and to punish witnesses and others for contempt of court. When not governed by ordinances or this charter, all proceedings in the municipal court for the violation of the city ordinance shall be governed by the applicable general laws of the state governing justices of the peace and justice courts.

Notwithstanding this section of this charter, the council may provide for the transfer of power and duties of the municipal court to the appropriate state court of the State of Oregon.

Section 22. Other Officers. The council shall fix the powers and duties of all appointive offices other than those provided for in this charter.

CHAPTER VII ORDINANCES

Section 23. Enacting Clause. The enacting clause of all ordinances hereafter passed shall be “The City of Sweet Home does ordain as follows.”

Section 24. Introduction, Reading and Passage. Every ordinance shall be fully and distinctly read in open council meeting on one day and shall be read by title only on two different days previous to being put upon its final passage provided that the council may have the ordinance fully and distinctly read at any reading thereof; provided, however, that any ordinance may be introduced and read the first time at any meeting and may upon a unanimous vote of all the members of council present at the meeting be read a second time by title only and placed upon its passage at the meeting held on a separate and successive day.

Section 25. When Ordinances Take Effect and Publication Thereof. Each ordinance passed by the council shall take effect on the thirtieth day after its passage; provided, that when the council deems it expedient or in case of emergency, an ordinance may provide a different time when it shall take effect, or that it shall take effect immediately. All ordinances shall be posted for 10 days after passage in three or more conspicuous places in the city.

CHAPTER VIII PUBLIC IMPROVEMENTS

Section 26. Power of Condemnation and Purchase. The city shall have power to acquire by purchase, gift, devise or condemnation any property either within or without its corporate boundaries for any municipal purpose, for the purpose of (a) protecting, preserving and facilitating an improvement or (b) bringing about such development of property along or in the vicinity of an improvement as will make such development harmonious with and adjusted to the improvement or (c) any combination of such purposes; to acquire by condemnation property in excess of that needed for the actual improvement and to sell or lease such excess property with building and use restrictions and conditions to make its development harmonious with and adjusted to adjacent public improvements. The necessity for the taking of any property by the City of Sweet Home shall be determined by the council and shall be declared by a resolution which shall describe such property as nearly as may be and stating the use to which it is to be devoted. The city shall have power to provide for the payment of all or any part of the cost of land or other property acquired for public use of the construction, reconstruction, repair, operation or maintenance of any structure or work in the nature of a public facility or improvement, including a public utility and of any other public work or service, by levying and collecting special assessments upon property specially benefited.

Section 27. Special Assessment. The method and procedure for determining the amount of the assessments, the spread and apportionment of the amount of the assessments, and the boundary and location of the property, lots, district or area to be assessed; for the making and approval of the plans and specifications; for the notices of property owners and other interested parties; for the hearings, for the composition, organization and procedure of boards of revision or appraisal; for the levy of the assessments; for the creation of a lien; and for any and all other determinations, steps, measures, resolutions, ordinances and actions in relation to the assessments shall be governed by either (a) the provisions of the special assessment statutes of the state or (b) the provisions of a general ordinance setting forth such method and procedure, which general ordinance may be enacted by council and shall be subject to amendment or repeal.

Section 28. Improvements. Street, sewer, sidewalk and such other improvements as may be deemed necessary by the council may be made on the motion of the council or on petition of a majority of the property owners interested. Remonstrance of two-thirds of the front footage of property owners concerned shall operate to defeat such motion of petition and the same may not again be considered by the council for a period of six months.

Section 29. Savings Clause. All ordinances, resolutions, policies, procedures, contracts and regulations heretofore passed by the city, in force when this charter takes effect, if not inconsistent with it, shall remain in full force after it takes effect and until they are amended or repealed by the council.

Section 30. City to Retain Rights and Be Subject to Liabilities in Existence at Time This Charter Takes Effect. No right vested in the city and no liability which it has incurred under this charter, prior charters, and any revisions and amendments thereof and laws of the state shall be impaired or discharged by adoption of this charter, except as this charter otherwise provides.

Section 31. Limitations on Indebtedness. City indebtedness may not exceed the debt limits imposed by state law. A charter amendment is not required to authorize city indebtedness.

Section 32. Repealing Clause. All charter provisions adopted before this charter takes effect are repealed.

Section 33. Severability. The terms of this charter are severable. If any provision is held invalid by a court, the invalidity does not affect any other part of the charter.



REQUEST FOR COUNCIL ACTION

PREFERRED AGENDA: August 14, 2018	TITLE: Solid Waste Rates	TYPE OF ACTION: <input checked="" type="checkbox"/> ORDINANCE
SUBMITTED BY: Robert Snyder, City Attorney	ATTACHMENTS: Ord 1117 & Ord 1261	<input type="checkbox"/> RESOLUTION
REVIEWED BY: Ray Towry, City Manager	Sweet Home Sanitation Handout	<input type="checkbox"/> MOTION
		<input type="checkbox"/> OTHER

PURPOSE OF THIS RCA:

An ordinance that sets forth the rate structure for solid waste.

BACKGROUND/CONTEXT:

Waste Connection Inc. (Sweet Home Sanitation) the current providers of solid waste services in Sweet Home is requesting a rate increase to help cover the increased cost of recycling. They are asking for an 8% raise in the rates as of August 1, 2018. A committee of three council members has reviewed this rate increase and recommended that it be approved. This 8% increase is based on extraordinary circumstances in the rising cost of recycling.

In ordinance 1261 of 2017, the last ordinance on rate changes, the parties to the franchise agreed to provide for automatic rate changes by using the Portland-Salem CPI. This CPI is no longer available, and the parties need to choose a new CPI. The franchisee has suggested using the Consumer Price Index – CPI-U West B/C, which as stated in its handout samples smaller urban areas in the Western States.

Section 6.1 in Sweet Home Ordinance 1117 sets forth that any rate changes shall be by ordinance. Sweet Home Ordinance 1261 provides for an automatic annual rate adjustment. Ordinance 1117 process calls for a rate change to go through the ordinance process of a reading in full and two by title in at least two separate public Council meetings. The proposed ordinance would change the Ordinance 1117 rate change process to a resolution (for extraordinary circumstances cases) thereby requiring a resolution by City Council at a City Council public meeting. Annual changes in rates would remain automatic by use of the CPI.

THE CHALLENGE/PROBLEM:

Should the City pass an ordinance to increase the solid waste rate as set forth in Exhibit A for recycling and should the City as part of that ordinance incorporate therein an annual CPI adjustment rate structure using the Consumer Price Index – CPI-U West B/C, and finally; should the City Council amend the process for rate changes in extraordinary circumstances from an ordinance process to a resolution process?

STAKEHOLDERS:

- City of Sweet Home Residents - Recycling and the need for it as valued by the community.
- City of Sweet Home City Council – A Committee reviewed the rate increase matter and referred it to City Council for its consideration with a recommendation of approval. Council is entrusted to make decisions that do the most good for the most people for the longest period of time.

ISSUES & FINANCIAL IMPACTS:

The world recycling market is changing, and the cost of recycling has increased. Under the current ordinance either party can request a change in the rate when faced with extraordinary

circumstances. The City Council must decide what it needs to do about the raising cost of recycling and the increase in the rate accomplices that for now.

The automatic CPI adjustment is one way to structure the rate process that gives the parties a rate structure that will be adjusted each year to reflect that year's changes in the CPI.

A change from the ordinance to a resolution process would make it a process that would allow for a quicker adjustment to market changes in the future for extraordinary circumstances.

ELEMENTS OF A STABLE SOLUTION:

A palatable and predictable rate structure that is transparent and fair to all parties, while ensuring the needs of the community are met.

OPTIONS:

1. Approve Ordinance Bill No.3 for 2018 - Council approve the 8% increase as of August 1, 2018 as set forth in Exhibit A attached to Ordinance Bill No. 3 for 2018.
2. Approve the CPI Change to use Consumer Price Index – CPI-U West B/C – Council approve the CPI Change to use Consumer Price Index – CPI-U West B/C as in Ordinance Bill No. 3 for 2018.
3. Approve Changes in Process – Council approve the change from ordinance process to resolution process for rate changes in extraordinary circumstances.
4. Set a Different Rate – The Council could set a different rate and upon different terms.

RECOMMENDATION:

Staff recommends option 1, 2, and 3. If the proposed ordinance meets with City Council approval, read it in full for its first reading at the council meeting and if the whole council present is in agreement, read it a second time by title only. Finally, decide when the third and final reading will be at the next regular meeting of the Council or before so that the ordinance goes into effect as soon as possible.

ORDINANCE BILL NO. 3 FOR 1998

ORDINANCE NO. 1117

AN ORDINANCE RELATING TO SOLID WASTE MANAGEMENT IN THE CITY OF SWEET HOME, OREGON, INCLUDING BUT NOT LIMITED TO GRANTING TO SWEET HOME SANITATION SERVICE, INC. THE EXCLUSIVE FRANCHISE TO COLLECT, TRANSPORT, AND CONVEY SOLID WASTE OVER AND UPON THE STREETS OF THE CITY, AND TO RECYCLE, REUSE, DISPOSE OF, OR RECOVER MATERIALS OR ENERGY FROM SOLID WASTE; CREATING NEW PROVISIONS; AND REPEALING ORDINANCE NO. 660, AS AMENDED, AND PORTIONS OF OTHER ORDINANCES IN CONFLICT WITH THIS ORDINANCE.

THE CITY OF SWEET HOME DOES ORDAIN AS FOLLOWS:

Section 1: Short Title. This Ordinance shall be known as the "Solid Waste Management Ordinance", it may be so cited and pleaded, and it shall be referred to herein as "this Ordinance".

Section 2: Policy, Purpose, and Scope. It is declared to be the public policy of the City to regulate solid waste management to accomplish the following:

- 2.1 Insure safe, economical, financially stable, reliable, and comprehensive solid waste service;
- 2.2 Insure rates that are just, fair, reasonable, and adequate to provide necessary public service and to prohibit rate preferences and other discriminatory practices;
- 2.3 Provide technologically and economically feasible resource recovery by and through the franchisee; and
- 2.4 Provide the opportunity to recycle.

Section 3: Definitions.

"*Administrator*" means the mayor of the City or the mayor's designee.

"*City*" means the City of Sweet Home, Oregon and the local government of that name.

"*can*" means a receptacle owned by a customer, not to exceed 32 gallons.

"*compensation*" means and includes:

- (a) Any type of consideration paid for service, including but not limited to rent, the proceeds from resource recovery, and any direct or indirect provision for payment of money, goods, services, or benefits by tenants, lessees, occupants, or similar persons;
- (b) The exchange of service between persons; and
- (c) The flow of consideration from the person owning or possessing the solid waste to the person providing service, or from the person providing service to the person owing or possessing the same.

"*container*" means a receptacle, at least 1 yard capacity, emptied into a collection vehicle, and provided by the franchisee.

"*Council*" means the City Council of the City.

"*franchisee*" means the person granted the franchise by Section 4 of this Ordinance, or a subcontractor to that person.

"*person*" means an individual, partnership, association, corporation, trust, firm, estate, or other private legal entity.

"*recover resources*" and "*resource recovery*" means the process of obtaining useful material or energy resources from solid waste, including energy recovery, materials recovery, recycling, or reuse of solid waste.

"*service*" means storage, collection, transportation, treatment, utilization, processing, and final disposal of, or resource recovery from, solid waste; and providing facilities necessary or convenient to those activities.

"*solid waste*" means all putrescible and non-putrescible wastes, including but not limited to garbage, rubbish, refuse, ashes, swill, waste paper and cardboard, yard debris, residential, commercial, and industrial demolition and construction wastes, discarded residential, commercial, and industrial appliances, equipment, and furniture, discarded, inoperable, or abandoned vehicles or vehicle parts, and vehicle tires, manure, vegetable or animal solid or semisolid waste, dead animals, and all other wastes not excepted by this Ordinance. Solid waste does not include:

- (a) Hazardous wastes as defined by or pursuant to ORS 466.005;
- (b) Sewer sludge and septic tank and cesspool pumping or chemical toilet waste; or

(c) Reusable beverage containers as defined in ORS 459.860.

"solid waste management" means management of service.

"waste" means material that is no longer usable by or that is no longer wanted by the last user, producer, or source of the material, which material is to be disposed of or be resource recovered by another person.

"yard debris" means grass clippings, leaves, hedge trimmings, and similar vegetable waste generated from residential property or landscaping activities but does not include rocks, soil, concrete, stumps, or similar bulky wood materials.

Section 4: Exclusive Franchise and Exceptions.

- 4.1 There is hereby granted to Sweet Home Sanitation Service, Inc. the exclusive right, privilege, and franchise to provide service in, and for that purpose to use the streets and facilities of, the City.
- 4.2 Except for the franchisee, no person shall:
 - 4.2.1 Provide service for compensation, or offer to provide, or advertise for the performance of service for compensation;
 - 4.2.2 Provide service for compensation to any tenant, lessee, or occupant of any real property of the person.
- 4.3 Solid waste, whether or not source-separated, and including recyclable material, placed out for collection by the customer, is the property of the franchisee.
- 4.4 Nothing in this Ordinance shall prohibit any person from transporting solid waste he produces himself to an authorized disposal site or resource recovery facility providing he complies with Section 9 of this Ordinance. Solid waste produced by a tenant, licensee, occupant, or similar person is produced by the person, not the landlord or property owner.

Section 5: Franchise Term and Renewal.

- 5.1 The rights and privileges and franchise herein granted begin October 1, 1998 and shall continue and be in full force for a period of 6 years, to and including September 30, 2004, subject to the terms and conditions of this Ordinance.
- 5.2 Unless the Council acts to terminate further renewals of the franchise, on each January 1 the franchise shall be renewed annually for a term of 6 years from each such annual renewal.

Section 6: Rates.

- 6.1 Rates for service shall be as in the attached Exhibit A, by this reference hereby incorporated in this Ordinance. Changes in rates shall be made only by an ordinance amending Exhibit A.
- 6.2 The franchisee shall not give any rate preference to any person, locality, or type of solid waste stored, collected, transported, disposed of, or resource recovered. This Section 6.2 shall not prohibit uniform classes of rates based upon length of haul, type or quantity of solid waste handled, and location of customers so long as those rates are reasonable based upon costs of the particular service and are approved by the Council in the same manner as other rates, nor shall it prevent any person from volunteering service at reduced costs for a charitable, community, civic, or benevolent purpose.

Section 7: Franchise Fee. In consideration of the franchise, the franchisee shall pay to the Treasurer of the City an amount equal to 3% of the franchisee's annual gross cash receipts from the operation of the service. This fee is payable monthly. The franchisee shall, by March 31 each year, furnish to the Administrator a written accounting of its gross cash receipts from the operation of the service for the prior year. At the same time, the franchisee shall pay the difference, if any, by which 3% of those gross cash receipts exceeds its monthly payments for the prior year. If those monthly payments exceeded, however, 3% of those gross cash receipts for the prior year, the franchisee shall receive full credit therefor against the next monthly payments coming due under this Section 7.

Section 8: Franchisee Responsibility. The franchisee shall:

- 8.1 Dispose of solid wastes collected at a site approved by the local government unit having jurisdiction of the site or recover resources from the solid wastes, both in compliance with Chapter 459, Oregon Revised Statutes, and regulations promulgated thereunder.
- 8.2 Provide the opportunity to recycle consistent with ORS Chapter 459 and regulations promulgated thereunder.
- 8.3 Provide and keep in force public liability insurance coverage of not less than \$1,000,000 for injury to a single person, and \$1,000,000 property damage, all relating to a single occurrence, which shall be evidenced by a certificate of insurance filed with the City Recorder. Increases in coverage for public liability insurance will be provided for as the law requires.
- 8.4 Furnish to the City, at the franchisee's own cost, a corporate surety bond in the penal sum of \$1,000 to guarantee the strict observance and performance of this Ordinance.
- 8.5 Collect solid waste from the public waste receptacles maintained by the City, the waste receptacles at the City Hall, at the City library, at the City parks, and at other reasonable

places designated by the City, at no charge to the City for these services, and also collect and dispose of solid waste at such times that the City shall have special problems in disposing of such solid waste, on such terms as may be agreed upon by the franchisee and the Council.

- 8.6 Within 30 days after the effective date of this Ordinance, file with the City Recorder a written acceptance of this franchise.
- 8.7 Provide sufficient collection vehicles, containers, facilities, personnel, and finances to provide all types of necessary service or subcontract with others to provide the service pursuant to Section 14 of this Ordinance. Where one or a few large customers require substantial investment in new or added equipment not otherwise necessary to service the franchised service area, the franchisee may require a contract with those sources providing that the customer will require and pay for service for a reasonable period of time. This contract exception is intended to assist in financing the necessary equipment and in protecting the integrity of the remaining service should the source or sources terminate collection service.
- 8.8 Respond to any written complaint on service.

Section 9: Public Responsibility. In addition to compliance with ORS Chapters 459 and 459A and regulations promulgated thereunder:

- 9.1 To prevent recurring back and other injuries to collectors and other persons and to comply with safety instructions to collectors from the State Accident Insurance Fund:
 - 9.1.1 All customers who subscribe to franchisee's residential rollcart collection service shall use rollcart containers furnished by the franchisee only. All such containers shall remain the property of the franchisee.
 - 9.1.2 To allow proper use of franchisee's pickup equipment for rollcart containers, all residential customers shall, whether on collection days or for on-call service, place all containers at the street, curb, or other pickup point designated by the franchisee. Containers shall not be loaded beyond the manufacturer's recommended maximum load weight.
 - 9.1.3 If any disabled residential customer (with a DMV disabled-parking certification, physician's letter, or other reasonable certification of disability) is unable to roll the container to the street or curb, the franchisee will furnish pick up the container at the customer's residence at the same rate as curb service. All such containers shall remain the property of the franchisee. Any other customer who wants the container picked up at a location other than the curb shall, at franchisee's request, specify the location in writing. The location must be visible

from the street. The franchisee may charge an additional fee for non-curbside service.

- 9.1.4 Except when containers are furnished by the franchisee to residential customers under sub-section 9.1.1, cans may be provided by customers and shall not exceed 60 pounds gross loaded weight or 32 gallons in size. Only round cans shall be used. Cans shall be tapered with a smaller bottom than top opening, shall have handles at the top, and shall have a place for a handhold at the bottom.
 - 9.1.5 Sunken receptacles shall not be used.
 - 9.1.6 All containers, including containers furnished by the franchisee to residential customers under sub-section 9.1.1, shall be rigid, rodent-proof, and approved by the franchisee.
 - 9.1.7 The user shall provide safe access to the pickup point so as not to jeopardize the safety of the driver of a collection vehicle or the motoring public or to create a hazard or risk to the person providing service. Where the Council finds that a private bridge, culvert, or other structure or road is incapable of safely carrying the weight of the collection vehicle, the collector shall not enter onto the structure or road. The user shall provide a safe alternative access point or system.
- 9.2 To protect the privacy, safety, pets, and security of customers and to prevent unnecessary physical and legal risk to the collectors, a residential customer shall place the container to be emptied outside of any locked or latched gate and outside of any garage or other building.
- 9.3 Any vehicle used by any person to transport solid wastes shall be so loaded and operated as to prevent the wastes from dropping, shifting, leaking, blowing, or other escapement from the vehicle onto any public right-of-way or lands adjacent thereto.
- 9.4 Any person who receives service shall be responsible for payment for the service. When the owner of a single or multiple dwelling unit or mobile home or trailer space has been notified in writing by the franchisee of his contingent liability, the owner shall be responsible for payment for service provided to the occupant of the unit if the occupant does not pay for the service.

Section 10: Supervision. Service provided under the franchise shall be under the supervision of the Administrator. The franchisee shall, at reasonable times, permit the Administrator's inspection of its facilities, equipment, and books and records related to its charges, rates, and receipts.

Section 11: Suspension, Modification, or Revocation of Franchise.

- 11.1 Failure to comply with a written notice to provide necessary service or otherwise comply with the provisions of this Ordinance after written notice and a reasonable opportunity to comply shall be grounds for modification, revocation, or suspension of the franchise.
- 11.2 After written notice from the Council that those grounds exist, the franchisee shall have 30 days from the date of mailing of the notice in which to comply or to request a public hearing before the Council.
- 11.3 If the franchisee fails to comply within the specified time or fails to comply with the order of the Council entered upon the basis of findings at the public hearing, the Council may suspend, modify, or revoke the franchise or make that action contingent upon continued non-compliance.
- 11.4 At a public hearing, the franchisee and other interested persons shall have an opportunity to present oral, written, or documentary evidence to the Council.
- 11.5 If the Council finds an immediate and serious danger to the public through creation of a health hazard, it may take action within a time specified in the notice to the franchisee and without a public hearing prior to taking that action.

Section 12: Preventing Interruption of Service. Whenever the Council determines that the failure of service or threatened failure of service would result in creation of any immediate and serious health hazard or serious public nuisance, the Council may, after a minimum of 24 hours' actual notice to the franchisee and a public hearing if the franchisee requests it, authorize another person to temporarily provide the service or to use and operate the land, facilities, or equipment of the franchisee through leasing to provide emergency service. The Council shall return any seized property and business upon abatement of the actual or threatened interruption of service.

Section 13: Termination of Service. The franchisee shall not terminate service to all or a portion of its customers unless:

- 13.1 The street or road access is blocked and there is no alternate route; *provided, however,* the City shall not be liable for any such blocking of access;
- 13.2 Excessive weather conditions render providing service unduly hazardous to persons providing service, or the termination is caused by accidents or casualties caused by an act of God or a public enemy; or
- 13.3 A customer has not paid for service provided after a regular billing, or does not comply with franchisee's reasonable policies as in effect from time to time.

Section 14: Subcontracts. The franchisee may subcontract with others to provide a portion of the service where the franchisee does not have the necessary equipment for service. Such a subcontract shall not relieve the franchisee of total responsibility for providing and maintaining service and from compliance with this Ordinance.

Section 15: Transfer of Franchise. The franchisee shall not transfer the franchise or any portion of it to other persons without the prior written approval of the Council, which consent shall not be unreasonably withheld. The Council shall approve the transfer if the transferee meets all applicable requirements met by the original franchisee.

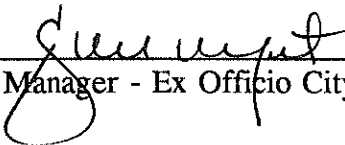
Section 16: Interpretation. Any interpretation or finding by any court of competent jurisdiction that any portion of this Ordinance is unconstitutional or invalid shall not invalidate any other provision of this Ordinance.

Section 17: City Enforcement. The City shall enforce the provisions of this Ordinance by administrative, civil, or criminal action as necessary to obtain compliance with this Ordinance.

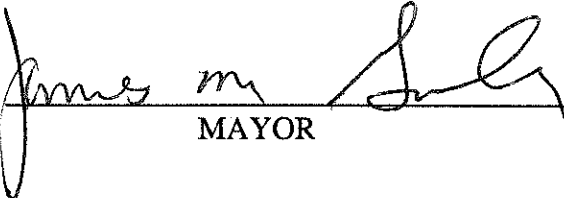
Section 18: Repealer. Ordinance No. 660, adopted by the Council April 13, 1976, all amendments thereto, and portions of other ordinances in conflict with this Ordinance are hereby repealed effective October 1, 1998.

PASSED by the Council and approved by the Mayor this 11th day of August, 1998.

ATTEST:



City Manager - Ex Officio City Recorder



MAYOR

ORDINANCE BILL NO. 7 FOR 2017

ORDINANCE NO. 1261

AN ORDINANCE RELATING TO RATE INCREASES FOR SOLID WASTE MANAGEMENT IN THE CITY OF SWEET HOME, OREGON AND REPEALING SWEET HOME ORDINANCE 1241

WHEREAS, in 1998 the City of Sweet Home entered into a franchise agreement with Sweet Home Sanitation Services Inc. now known as Sweet Home Sanitation Service and operated by Waste Connection Inc.;

WHEREAS, the City of Sweet Home passed Sweet Home Ordinance No. 1117 in 1998 known as the Solid Waste Management Ordinance;

WHEREAS, Sweet Home Ordinance No. 1117 requires in Subsection 6.1 that changes in rates shall be made only by an Ordinance amending Exhibit A therein;

WHEREAS, the City of Sweet Home passed Sweet Home Ordinance No. 1241 in 2015 amending Exhibit A of Sweet Home Ordinance No. 1117;

WHEREAS, the franchisee desires to have a rate increase and a rate schedule as set forth in Exhibit A under proposed rates; and

WHEREAS, the franchisee desires to have future rate increases set on the Consumer Price Index.

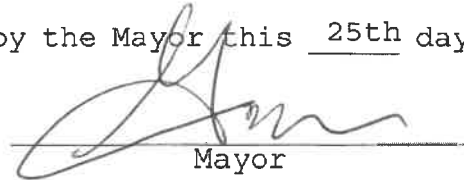
The City of Sweet Home does ordain as follows:

Section 1. Exhibit A of Sweet Home Ordinance No. 1117 referenced in Subsection 6.1 thereof is amended to read as set forth in the attached Exhibit A hereto and by this reference hereby incorporated therein with the proposed rates being in effect as of the date this ordinance goes into effect.

Section 2. In addition to the foregoing, the rates for service described above shall be automatically adjusted annually, effective July 1, 2018 and each year thereafter during the term of this Ordinance based on the annual average increase or decrease, if any, of the Consumer Price Index-All Items- for Portland-Salem, OR-WA, as published by the United States Bureau of Labor Statistics (<http://data.bls.gov>) (the "CPI") during the most recent twelve (12) month period ending no later than June 30 of the then current year. Thus, if the CPI increased 2% from the previous 12 month average of 2017-2018 then the rates for service would automatically increase 2% effective as of July 1, 2018. In addition to the above rate structure either party to the franchise can request increases or decreases in the rates based on extraordinary circumstances.

Section 3. Sweet Home Ordinance No. 1241 passed in 2015 is hereby repealed.

PASSED by the Council and approved by the Mayor this 25th day of July, 2017.



Mayor

ATTEST:



City Manager - Ex Officio City Recorder



Date: 5/22/18

To: Ray Towry
City of Sweet Home
1140 12th Avenue
Sweet Home, OR 97386

RE: Request for Recycling Rate Adjustment

Mr. Towry,

As we have been discussing over the past several months, the China-induced recycling market crisis has become an overwhelming burden for solid waste companies across Linn County and the West Coast. Sweet Home Sanitation is certainly no exception and has felt the full weight of this burden. To recap, roughly 12 months ago (June 2017) Pioneer Recycling paid us approximately \$30 per ton for mixed recycling. Starting last September, exporters began to increase pricing in the event that China would follow through with their ban. Costs continued to increase as material recovery facilities (MRFs) slowed down their processing lines and added personnel to improve quality. China imposed their effective ban on January 1, and they have not flinched so far. MRF's have cleaned the material up enough to keep it moving to alternative Asian destinations and even some domestic mill applications. The biggest source of contamination has proven to be non-program plastics and, simply put, household garbage that has never been allowed in the program. As of - May 2018, Pioneer charges us \$84 per ton for the same material they paid us \$30 per ton a year ago. When transportation and handling costs are factored in, the cost per ton rose from an average of \$26.04/ton in 2017 to a current cost of \$118.47/ton, an increase of 355%.

To isolate the impact of the recycling issue on our business, we borrowed a single-item rate making tool used by the Washington State Utilities and Transportation Commission most often used to determine the impact of spikes in fuel costs in between general rate filings. Adapting it for recycling, the methodology starts with the baseline recycling expense as a percentage of revenue, which for Sweet Home was 3.3%. That percentage is multiplied by the 355% increase in recycling expense to arrive at the 11.76% change in revenue required to recover the increased cost. Assuming we process the same volume of mixed recycling as we did in 2017, our additional expense per year to provide recycling services is \$257,251.

With the potential of double digit rate increases, we believe it's important to present options. There is an economic component of the State's definition of a recyclable material. If it costs more to recycle the material than to dispose of it in a landfill, the material fails the economic test. In 2017, the economic test clearly defined our commingle mix as recyclable. Commingle now fails the test, and landfilling is an option, subject to the DEQ's concurrence with our conclusion. For comparison purposes using the same model, landfilling the City's mixed



recycling would realize an increased cost of \$114,550 for the year. These costs would require a 5.23% rate increase.

Our Exhibit entitled Pro Forma Rate Adjustments Excluding Other Factors contains examples of the commodity-induced increase for key sample rates under both the recycling and landfilling options.

While the big news is the 355% increase in recycle costs, we continue to experience cost increases in other parts of our business, including labor and truck operating expenses. We are proposing this rate increase be included with our annual price adjustment for the year effective July 1st. 2017's Portland-Salem CPI, which our annual adjustment is tied to, was 4.2%. This percentage will be added to our recycling adjustment costs, creating an overall price adjustment of 15.96% to continue recycling, and 9.43% to landfill the recycling.

We understand it is never the intent of the City to landfill recycling, however the extent of this recycling crisis is severe and unprecedented. The City must decide its priorities. Most Oregon communities have elected to retain their recycling programs, and we at Sweet Home Sanitation believe that recycling continues to add long term environmental benefits that aren't currently reflected in its cost. We encourage the City to continue to recycle. Regardless of the City's decision, we believe that a review of recycling prices in 6 months is important to determine if rate or system adjustments are necessary. Accordingly, we recommend that language be incorporated that would allow either party the right to request a sooner rate adjustment to follow any rapid, drastic market fluctuations.

On another note: the Portland-Salem Consumer Price Index has been discontinued by the Bureau of Labor and Statistics (BLS). We are O.K. this year with using it as it wasn't eliminated until January 2018, but we will need to discuss and agree on an alternate index. We believe the most relevant surviving index is the CPI-U West B/C, which samples smaller urban areas in the Western States.

You had mentioned the other day that a work session might prove helpful in reviewing and discussing this proposal with council. I can and will make myself available any time that works for the council. I look forward to hearing back from you very soon.

Best Regards,

Scott Gagner
Sweet Home Sanitation
Office: 541-367-2535
1325 18th Avenue
Sweet Home, OR 97386

Changes to Solid Waste Franchise Ordinance No. 1117

- 6.1 ~~Rates for service shall be as in the attached Exhibit A, by this reference hereby incorporated in this Ordinance. Changes in rates shall be made only by an ordinance amending Exhibit A. Rates for service set after those set in Sweet Home Ordinance No. _____ shall be set by City Council resolution except for the automatic annual adjustment as stated below.~~
- 6.1.1 In addition to the foregoing, the rates for service described above shall be automatically adjusted annually, (first effective July 1, 2018) and each year thereafter during the term of this Ordinance based on the annual average increase or decrease, if any, of the Consumer Price Index-CPI-U W West B/C, as published by the United States Bureau of Labor Statistics (<http://data.bls.gov>) (the "CPI") during the most recent twelve (12) month period ending no later than June 30 of the then current year. Thus, if the CPI increased 2% from the previous 12 month average of 2018-2019 then the rates for service would automatically increase 2% effective as of July 1, 2019. In addition to the above rate structure either party to the franchise can request increases or decreases in the rates based on extraordinary circumstances.
- 6.2 The franchisee shall not give any rate preference to any person, locality, or type of solid waste stored, collected, transported, disposed of, or resource recovered. This Section 6.2 shall not prohibit uniform classes of rates based upon length of haul, type or quantity of solid waste handled, and location of customers so long as those rates are reasonable based upon costs of the particular service and are approved by the Council in the same manner as other rates, nor shall it prevent any person from volunteering service at reduced costs for a charitable, community, civic, or benevolent purpose.

ORDINANCE BILL NO. 3 FOR 2018

ORDINANCE NO. _____

AN ORDINANCE RELATING TO RATE INCREASES FOR SOLID WASTE MANAGEMENT IN THE CITY OF SWEET HOME, OREGON AND REPEALING SWEET HOME ORDINANCE 1261 WITH AN EXPEDIENCY CLAUSE.

WHEREAS, in 1998 the City of Sweet Home entered into a franchise agreement with Sweet Home Sanitation Services Inc. now known as Sweet Home Sanitation Service and operated by Waste Connection Inc.;

WHEREAS, the City of Sweet Home passed Sweet Home Ordinance No. 1117 in 1998 known as the Solid Waste Management Ordinance;

WHEREAS, Sweet Home Ordinance No. 1117 requires in Subsection 6.1 that changes in rates shall be made only by an Ordinance amending Exhibit A therein;

WHEREAS, the City of Sweet Home passed Sweet Home Ordinance No. 1261 in 2017 amending Exhibit A of Sweet Home Ordinance No. 1117 which was the last amendment to Exhibit A;

WHEREAS, the franchisee desires to have a rate increase because of extraordinary circumstances in the world recycling market and a rate schedule as set forth in Exhibit A under proposed rates;

WHEREAS, in Ordinance No. 1261 the parties agreed to have automatic annual rate changes based on the Portland-Salem Consumer Price Index;

WHEREAS, the parties need to select another consumer price index because the Portland-Salem Consumer Price Index is no longer being maintained;

WHEREAS, the City of Sweet Home desires to establish a procedure that will be responsive to the need to change rates to reflex the market fluctuations in the market; and

WHEREAS, the rate increases for the extra costs of recycling need to be established as of August 1, 2018 to help compensate for the increases in the cost of recycling over the last year.

NOW THEREFORE,

The City of Sweet Home does ordain as follows:

Section 1. Exhibit A of Sweet Home Ordinance No. 1117 referenced in Subsection 6.1 thereof is amended to read as set forth in the attached Exhibit A hereto and by this reference hereby incorporated therein with the August 1, 2018 proposed rates being

in effect as of August 1, 2018. The rates established hereby shall remain in effect until changed by the City Council except for the automatic annual CPI adjustment.

Section 2. Section 6.1 of Sweet Home Ordinance 1117 is amended to read as follows:

6.1 Rates for service set after those set in Sweet Home Ordinance No. _____ shall be set by City Council resolution except for the automatic annual adjustment as stated below.

Section 3. Section 6.1.1 of Sweet Home Ordinance 1117 is created to read as follows:

6.1.1 In addition to the foregoing, the rates for service described above shall be automatically adjusted annually, (first effective July 1, 2018) and each year thereafter during the term of this Ordinance based on the annual average increase or decrease, if any, of the Consumer Price Index-CPI-U W West B/C, as published by the United States Bureau of Labor Statistics (<http://data.bls.gov>) (the "CPI") during the most recent twelve (12) month period ending no later than June 30 of the then current year. Thus, if the CPI increased 2% from the previous 12 month average of 2018-2019 then the rates for service would automatically increase 2% effective as of July 1, 2019. In addition to the above rate structure either party to the franchise can request increases or decreases in the rates based on extraordinary circumstances.

Section 4. Sweet Home Ordinance No. 1261 passed in 2017 is hereby repealed.

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

PASSED by the Council and approved by the Mayor this _____ day of _____, 2018.

Mayor

ATTEST:

City Manager - Ex Officio City Recorder

Sweet Home Sanitation
City of Sweet Home - Proposed Rates

	7/1/2017	7/1/2018 (4.2% CPI)	8/1/2018 (8% Recycling)
Residential Service:			
Cans and Carts			
1-20 gallon weekly	\$11.60	\$12.10	\$13.00
1-35 gallon weekly	\$23.40	\$24.40	\$26.25
1-90 gallon weekly	\$28.85	\$30.05	\$32.35
Other Services			
Yard Debris Only	\$5.25	\$5.45	\$5.90
Recycling Only	\$5.25	\$5.45	\$5.90
Recall Fee	\$9.35	\$9.75	\$10.50
Access Fee	\$6.15	\$6.40	\$6.90
Commercial Service:			
90 gallon cart	\$32.15	\$33.50	\$36.05
35 gallon cart	\$23.45	\$24.45	\$26.30
1 Yard Container			
Rental	\$53.05	\$55.30	\$59.50
Once per Month	\$71.40	\$74.40	\$80.10
Every Other Week	\$89.60	\$93.35	\$100.55
Weekly	\$114.95	\$119.80	\$128.95
2X per Week	\$207.05	\$215.75	\$232.30
Extra Dump	\$31.85	\$33.20	\$35.75
1.5 Yard Container			
Rental	\$53.05	\$55.30	\$59.50
Once per Month	\$76.50	\$79.70	\$85.85
Every Other Week	\$101.85	\$106.15	\$114.30
Weekly	\$147.90	\$154.10	\$165.95
2X per Week	\$254.70	\$265.40	\$285.75
Extra Dump	\$37.75	\$39.35	\$42.35
2 Yard Container			
Rental	\$53.05	\$55.30	\$59.50
Once per Month	\$89.60	\$93.35	\$100.55
Every Other Week	\$115.00	\$119.85	\$129.05
Weekly	\$182.30	\$189.95	\$204.55
2X per Week	\$328.10	\$341.90	\$368.15
Extra Dump	\$42.60	\$44.40	\$47.80
3 Yard Container			
Rental	\$53.05	\$55.30	\$59.50
Once per Month	\$97.85	\$101.95	\$109.80
Every Other Week	\$175.20	\$182.55	\$196.55
Weekly	\$262.70	\$273.75	\$294.75
2X per Week	\$471.65	\$491.45	\$529.20
Extra Dump	\$47.10	\$49.10	\$52.85
4 Yard Container			
Rental	\$53.05	\$55.30	\$59.50
Once per Month	\$115.00	\$119.85	\$129.05
Every Other Week	\$182.30	\$189.95	\$204.55
Weekly	\$306.10	\$318.95	\$343.45
2X per Week	\$550.65	\$573.80	\$617.85
Extra Dump	\$76.50	\$79.70	\$85.85

Sweet Home Sanitation
City of Sweet Home - Proposed Rates

	7/1/2017	7/1/2018 (4.2% CPI)	8/1/2018 (8% Recycling)
Temporary 4 Yard Container			
3 Days	\$96.65	\$100.70	\$108.45
Extra Dump	\$76.50	\$79.70	\$85.85
Demurrage per Day After 3 Days	\$3.40	\$3.55	\$3.80
3 Tab Roofing (3 days)	\$143.70	\$149.75	\$161.25
Extra Dump	\$113.35	\$118.10	\$127.20
Roll-Off Services:			
20 Yard Box/per Haul	\$158.05	\$164.70	\$164.70
30 Yard Box/per Haul	\$180.60	\$188.20	\$188.20
48 Yard Box/per Haul	\$203.15	\$211.70	\$211.70
Tonnage	\$67.20	\$70.00	\$70.00
Delivery	\$11.70	\$12.20	\$12.20
Demurrage – after 3 days	\$11.70	\$12.20	\$12.20
Monthly Rental	\$116.85	\$121.75	\$121.75
Sweet Home Transfer Station			
Solid Waste 0-500 lbs Minimum Charge	\$20.40	\$21.25	\$21.25
Solid Waste 500 lbs or Greater	\$62.70/ton	\$70.00/ton	\$70.00/ton
32 Gallon Can	\$5.75/can	\$6.00/can	\$6.00/can
Yard Waste Clean	\$39.45/ton	\$41.10/ton	\$41.10/ton
Wood Waste Clean	\$34.00/ton	\$35.45/ton	\$35.45/ton
Refrigerators	\$24.75	\$25.80	\$25.80
Scrap Metal Clean	No Charge	No Charge	No Charge
E-Waste TV's, Computers, Monitors, Etc	No Charge (7 Item Max) \$5.20 each additional item	No Charge (7 Item Max) \$5.40 each additional item	No Charge (7 Item Max) \$5.40 each additional item
Used Motor Oil - 5 Gallon bucket or smaller	No Charge	No Charge	No Charge
Car Tires - Off Rim	\$5.75	\$6.00	\$6.00
Car Tires - On Rim	\$6.80	\$7.10	\$7.10
Commercial Equipment Tires	\$0.20/lb	\$0.20/lb	\$0.20/lb
Commingle Recycle (Not to Exceed 100lbs/load)	\$5.00/load	\$5.00/load	\$5.00/load



REQUEST FOR COUNCIL ACTION

<p>PREFERRED AGENDA: August 14, 2018</p> <p>SUBMITTED BY: R. Towry, City Manager</p> <p>REVIEWED BY: R. Snyder, City Attorney</p>	<p>TITLE: Adoption of new City Council Rules</p> <p>ATTACHMENTS: 1. City Council Rule changes from July 24 meeting. 2. "Final" copy of City Council Rules. 3. SHMC 2.04 Track Changes 4. SHMC 2.04 Final 5. Ordinance #4 for 2018.</p>	<p>TYPE OF ACTION: <input type="checkbox"/> RESOLUTION <input checked="" type="checkbox"/> MOTION <input type="checkbox"/> OTHER</p>
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PURPOSE OF THIS RCA:

To adopt a new set of modern City Council Rules that define a system to govern how the City Council conducts business.

BACKGROUND/CONTEXT:

The City Charter mandates/allows the Council to adopt a set of rules and procedures to govern the Council's operation. Many sections in the current set of rules are from 1951. Several others are also outdated, last revised +/- 20 years ago. The rules and procedures have not been updated appropriately as the needs of the Council and the community have evolved.

The Council Rules address procedures for council action ensuring fairness and transparency. They also dictate appropriate behavior by Councilors, staff and attending public. This also sets out rules that are in agreement with the Charter and uses consistent language with the Charter for easier interpretation by all. This set of City Council Rules is based on a model published by the League of Oregon Cities.

Updated Council Rules were a work topic dating back to 2016 with the Interim City Manager. More recently Council has discussed and evaluated draft rules on at least five occasions: November 29, 2016; July 6, 2017; August 15, 2017; November 20, 2017; and July 24, 2018.

Council evaluated the last draft on July 24, 2018 and requested three changes:

- 1) Change "will" to "may" on page eight.
- 2) Clarify how to proceed with a motion.
- 3) Move the "Recognition of Visitors and Hearing of Petitions" back to the beginning of the meeting.

Council can see those changes have been made and indicated in the draft pages immediately following this RCA, prior to the final version of the City Council Rules.

Legal counsel also added a Section 25 titled Non-Material Failures, meaning if Council fails to follow the rules perfectly and the failure in procedure is not a substantial diversion from the rules or the spirit of the rules, it won't be a reason to void the Council's decision.

This ordinance allows the Council to adopt or modify a set of rules with a separate resolution. City Charter requires all ordinances be presented three times and have a 30-day waiting period between the third reading and their effective date. So, after the third reading on September 11,

staff will present a resolution adopting the new rules that will indicate an effective date thirty days later, October 11, to maintain consistency with the City Charter.

THE CHALLENGE/PROBLEM:

Can the City Council conduct an even more professional business meeting in a fair and transparent manner while holding all parties accountable with a set of modern rules and procedures?

STAKEHOLDERS:

- City Residents. Residents will be able to rest assured the Council is conducting themselves in a professional manner that best represents the community. These rules also lay out expected procedures and practices allowing for a fair and systematic approach to city business. Residents will have a clear understanding of City Council meeting procedures and thus a better understanding of their role in advocating policies that will advance their preferred policies.
- City Councilors. Councilors will have a clear understanding of procedure and thus a better understanding of their role and procedures to steer and guide policies that will advance the community forward.
- Management Team. These rules will give staff a clear understanding of procedure and thus a better understanding of their role and procedures to steer and guide policies that will advance the community forward.

ISSUES & FINANCIAL IMPACTS:

1. No financial impacts to speak of.
2. Learning Curve. Some of these procedures are new and there will be a learning curve to implement them.

ELEMENTS OF A STABLE SOLUTION:

A tool to fairly guide Council, community residents and staff through implementing new ordinances, resolutions and policies in an open and transparent manner.

OPTIONS:

1. Do Nothing. Continue with the current rules in place.
2. Make a Motion to approve the City Council Rules as presented. The Council and staff have invested a significant number of hours in these rules. Council has reviewed them on multiple occasions and the current rules use language that is not clear in relation to the Charter. These rules clarify roles and responsibilities for all parties involved in our local government.
3. Suggest further changes to the City Council Rules. Council can suggest additional changes to the proposed rules and we can bring them back for further review.

RECOMMENDATION:

Staff recommends Council choose option #2 and make a *motion to approve Ordinance #4 for 2018 for a first reading, Sweet Home Ordinance Pertaining to Council Rules and Amending SHMC Chapter 2.04 titled City Council and containing the City Council Rules as presented.*

Staff will present a resolution for the Council to adopt the rules at the September 11 City Council Meeting, making the rules effective October 11,

These rules have been researched and vetted by the Council, staff, League of Oregon Cities and legal counsel. They will be a living, evolving document that we can and should review regularly.

If you have any questions, please feel free to contact me.

DRAFT - ~~07/19/2018~~ 08/07/2018

City of Sweet Home

City Council Rules

Adopted _____

Table of Contents

Contents

No table of contents entries found.

1) **Rules of the City Council adopted.**

"The Council shall... adopt rules and regulations for the government of its members and proceedings." (2014 City of Sweet Home Charter, Sec. 14). The Sweet Home City Council does hereby adopt the following rules for conducting business and to govern its members, the same to be known as the Rules of the City Council (Council Rules). The City Council shall strive to review its rules at least once every two years. The Council Rules are not intended to replace or supersede any applicable federal or state laws or regulations, City ordinances or policies or provisions of the City Charter.

a) Amendment. These rules of procedure are subject to amendment by the City Council in accordance with the rules noted herein.

- i) Any proposed amendment to these rules shall be noted on an agenda for a regular meeting, wherein the same shall be discussed, and open for comment by the public.
- ii) All amendments to these rules require a majority vote of the City Council.
- iii) Amended rules shall not go into effect until the meeting after the rule is approved.
- iv) These rules may be suspended upon a majority vote of the City Council.

b) Repeal. These rules of procedure are subject to repeal and replacement by the City Council in accordance with the rules noted herein.

- i) Any proposed repeal of these rules shall be accompanied by a proposed replacement.
- ii) Any proposed repeal and replacement of these rules shall be noted on an agenda for a regular meeting, wherein the same shall be discussed, and open for comment by the public.
- iii) Any repeal and replacement of these rules requires a majority vote of the City Council.
- iv) Any repeal and replacement of these rules shall not go into effect until 30 days after the replacement rule is approved.

2) **Meeting of the City Council.**

a) Public Meeting Law. All meetings of the City Council shall comply with the Oregon State Public Meetings Law, which is hereby incorporated by reference into these rules.

b) Regular Meeting. The City Council will meet for regular meetings on the second and the fourth Tuesday of each month unless the Mayor cancels or reschedules the meeting upon consensus of the City Council. The Mayor, in conference with the City Manager, may cancel a regular meeting for inclement weather or other unforeseen circumstances or emergency situations. Regular meetings will convene at 6:30 pm and will be adjourned by 10:00 pm unless extended by consent of a majority of the City Council.

c) Special Meeting. Special Meetings of the City Council may be called in accordance with the provisions of Section 14 of the City Charter, "Special meetings of the council may be called by the mayor, either upon his/her own motion or upon the request of at least three members of the council, and held at any time, upon verbal or written notice to all members of the council then in the city. Special meetings of the council may also be held by the common consent of all members of the council."

determine the order of business, subject to the rules of the council. He/she may vote as any other Councilor.” (City of Sweet Home Charter, Section 16)

10) President Pro Tem

At its first meeting in the new term after each biennial election, the council shall elect from its membership, a President Pro Tem for a term of two years. The President Pro Tem shall perform the duties of the Mayor in the absence of the Mayor. (2014 City of Sweet Home Charter, Section 17)

11) Order of Business.

In the conduct of business of the City Council, the following procedure shall be substantially followed:

- a) Call to Order
- b) Roll Call
- c) Consent Agenda
- d) Recognition of Visitors and Hearing of Petitions
- e) Old Business
- f) New Business
- g) Ordinance Bills
 - i) ~~Introduction-Request for Council Action~~ and First Reading of Ordinance Bills
 - ii) Second Reading of Ordinance Bills
 - iii) Third Reading of Ordinance Bills
- h) Reports of Committees
- i) Reports of City Officials
- j) Council Business for Good of the Order
- k) Adjournment

12) Ordinance Bills.

Proposed ordinances shall be known as “ordinance bills.” They shall be numbered consecutively and filed by the City Manager in the order in which they are introduced.

- a) **Numbering.** The city recorder shall number all ordinances with a consecutive identification number during each calendar year, in the order of their introduction. Each number shall be followed by the last two digits of the year in which the ordinance was introduced.
- b) The enacting clause of all ordinances hereafter passed shall be “The City of Sweet Home does ordain as follows.” (2014 City of Sweet Home Charter, Section 23)
- c) All ordinances shall, before presentation to the council, have been approved as to form by the city attorney, or the city attorney’s designee.
- d) “Every ordinance shall be fully and distinctly read in open council meeting on one day and shall be read by title only on two different days previous to being put upon its final passage provided that the council may have the ordinance fully and distinctly read at any reading thereof; provided, however, that any ordinance may be introduced and read the first time at any meeting and may upon a unanimous vote of all the members of council present at the meeting be read a second time by title only and placed upon its passage at the meeting held on a separate and successive day.” (2014 City of Sweet Home Charter, Section 24)
- e) After an ordinance is introduced for consideration by the council for presentation for first reading, the council may direct that:
 - i) A public hearing on the ordinance be held;
 - ii) Refer the ordinance to committee for review and recommendation;
 - iii) Refer the ordinance to the city manager for further revision;
 - iv) Pass the ordinance to a second reading;
 - v) Pass the ordinance to a second reading and by, “...unanimous vote of all the members of the council present at the meeting be read a second time by title only

and placed upon its passage at the meeting held on a separate and successive day.”
(2014 City of Sweet Home Charter, Section 24)

vi) Reject the ordinance in whole or in part.

f) ~~All ordinances when introduced for first reading shall be identified by title and number on a calendar of first reading and may be passed to a second reading as a group without further reference.~~

g) Except as otherwise provided by this section, on second reading all ordinances shall be placed by title and number on a calendar of second reading and may be passed to a third reading as a group, provided that the vote for the passage of the calendar is unanimous.

h) The third reading of ordinance bills need be read by title only.

i) Each ordinance shall take effect on the thirtieth day after passage; provided that when the council deems it expedient or in case of emergency; an ordinance may provide a different time when it shall take effect, or that it shall take effect immediately. All ordinances shall be posted for 10 days after passage in three or more conspicuous places in the city. (2014 City of Sweet Home Charter, Section 25)

13) Procedure.

In all cases not specifically provided for herein or in the City Charter, the Council shall be governed by the law and precedents laid down in the then current edition of Robert’s Rules of Order.

14) Quorum.

A majority of council members is a quorum. A quorum is required to conduct business, but a smaller number may meet and adjourn from time to time to compel the attendance of absent members in the manner provided by ordinance. The Council shall keep a journal of its proceeding, and on the call of two members shall the yeas and nays to be taken and entered in the journal upon any question before it except a motion to adjourn. The proceedings of the council shall be public. (2014 City of Sweet Home Charter, Section 15)

15) Resolutions.

All resolutions shall be in writing and numbered consecutively in the order in which they are introduced in each calendar year.

16) Vote.

The concurrence of a majority of a quorum shall be required to determine any matter before the Council except as provided otherwise in the Charter. (2014 City of Sweet Home Charter, Section. 18)

a) All questions shall be voted on by affirmation except those involving the expenditure of money and third reading of ordinance bills in which case a roll call shall be taken. If the chairperson doubts or a decision is called for, a roll call shall be taken.

Every Councilor, when a question is taken, shall vote. If a Councilor is planning to abstain, the Councilor must declare the intent to abstain prior to the vote.

No Councilor shall be permitted to vote on any subject in which he or she has a conflict of interest.

17) Debate and Withdrawal of Motions.

Members who wish to make a motion must first be recognized by the chairperson. After the Councilor makes a motion the chairperson should then restate it or rule it out of order, then call for a second. No motion shall be debated until it has been seconded and distinctly announced by the chairperson and shall have been reduced to writing if so desired by any Councilor. It shall be read by the City Manager, or their designee, when required by members for information. A motion may be withdrawn at any time before amendment.

a) Most motions require a second, although there are some exceptions:

i) Nominations, points of order, requests to remove an item from the consent agenda, and motions to table.

- iv) Council members shall not request City staff to perform significant work without the prior approval of the City Manager, so that workloads and work plans are not adversely impacted. Councilors will limit individual inquiries and requests for information from staff to those questions that may be answered readily as part of staff's day-to-day responsibilities. Questions of a more complex nature shall be directed to the City Manager.
- v) Respecting roles and responsibilities of staff when and if expressing criticism in a public meeting or through public electronic mail messages.
- vi) Members of the Council shall normally share any information obtained from staff with the entire council. This section is not intended to apply to questions by members of the council acting in their individual capacities rather than as members of the council, nor to questions regarding conflict of interest or similar issues particular to a member of the council.
- vii) The mayor will refer any comments or questions regarding City personnel or administration to the City Manager. The mayor may redirect other questions to a Council member or the City Manager, as appropriate. Council members may also address questions directly to the City Manager, who may either answer the inquiry or ask a staff member to do so.

25) Non-Material Failure

25)a) Non-material failures to follow the Council Rules in conducting business or to abide by the rules of procedure does not invalidate the decisions of the City Council nor will it be grounds to later challenge the validity of the decision.

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City of Sweet Home

City Council Rules

Adopted August 14, 2018

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1) **Rules of the City Council Adopted.**

“The Council shall... adopt rules and regulations for the government of its members and proceedings.” (2014 City of Sweet Home Charter, Sec. 14). The Sweet Home City Council does hereby adopt the following rules for conducting business and to govern its members, the same to be known as the Rules of the City Council (Council Rules). The City Council shall strive to review its rules at least once every two years. The Council Rules are not intended to replace or supersede any applicable federal or state laws or regulations, City ordinances or policies or provisions of the City Charter.

- a) Amendment. These rules of procedure are subject to amendment by the City Council in accordance with the rules noted herein.
 - i) Any proposed amendment to these rules shall be noted on an agenda for a regular meeting, wherein the same shall be discussed, and open for comment by the public.
 - ii) All amendments to these rules require a majority vote of the City Council.
 - iii) Amended rules shall not go into effect until the meeting after the rule is approved.
 - iv) These rules may be suspended upon a majority vote of the City Council.
- b) Repeal. These rules of procedure are subject to repeal and replacement by the City Council in accordance with the rules noted herein.
 - i) Any proposed repeal of these rules shall be accompanied by a proposed replacement.
 - ii) Any proposed repeal and replacement of these rules shall be noted on an agenda for a regular meeting, wherein the same shall be discussed, and open for comment by the public.
 - iii) Any repeal and replacement of these rules requires a majority vote of the City Council.
 - iv) Any repeal and replacement of these rules shall not go into effect until 30 days after the replacement rule is approved.

2) Meeting of the City Council.

- a) Public Meeting Law. All meetings of the City Council shall comply with the Oregon State Public Meetings Law, which is hereby incorporated by reference into these rules.
- b) Regular Meeting. The City Council will meet for regular meetings on the second and the fourth Tuesday of each month unless the Mayor cancels or reschedules the meeting upon consensus of the City Council. The Mayor, in conference with the City Manager, may cancel a regular meeting for inclement weather or other unforeseen circumstances or emergency situations. Regular meetings will convene at 6:30 pm and will be adjourned by 10:00 pm unless extended by consent of a majority of the City Council.
- c) Special Meeting. Special Meetings of the City Council may be called in accordance with the provisions of Section 14 of the City Charter, "Special meetings of the council may be called by the mayor, either upon his/her own motion or upon the request of at least three members of the council, and held at any time, upon verbal or written notice to all members of the council then in the city. Special meetings of the council may also be held by the common consent of all members of the council."
- d) At Special Meetings of the Council, called in a manner provided by the Charter, no business shall be acted upon except that mentioned in the notice or call of the special meeting.
- e) Work Sessions. Work sessions will be held to provide Council with an informal opportunity to ask questions about pertinent issues and provide guidance to staff. No issues will be decided in work sessions that would require formal Council decision making.
- f) Executive Session. An executive session shall be held in accordance with Oregon State Public Meetings Law. The chairperson may call any regular, special or emergency meeting into executive session by citing the specific provision of ORS 192.660 which authorizes the session. The chairperson shall determine which persons other than the City Council shall be allowed to attend executive sessions. The chairperson shall instruct any media representatives present not to disclose the substance of any discussion during executive session. No final decision shall be made in executive session. To make a final decision, the chairperson shall either call the meeting into open session or place the decision on the agenda of a future open session.

3) Minutes.

The City Recorder, or the designee, shall prepare written minutes of all open regular and

special meetings, which shall be approved by the City Council and made available for public inspection. All meetings shall be recorded for the benefit of the City Recorder in the preparation of the minutes.

- a) Written Minutes. Per Section 20 (c)(16) of the City Charter, the City Manager shall, "...serve as the city recorder and such to be clerk of the council, keep an accurate record of its proceedings in a book provided for that purpose, and countersign all instruments and writings by this charter or by the laws of the state or the city." Written minutes shall include the names of all City Councilors present, all motions, resolutions, orders, ordinances and measures proposed and their disposition, the results of all votes and references to any documents discussed. Adopted minutes shall be signed by the chairperson.
- b) Audio/Video Recording. City Council meetings may be audio and/or video recorded. If the City of Sweet Home records the meeting, copies shall be retained by the City of Sweet Home in order to comply with the State of Oregon Public Meetings Law.
- c) Audio/Video Area. All audio and/or video recording by the public and/or press shall be done from within a designated area.

4) **Agenda.**

The City Manager shall coordinate with the chairperson on the preparation of an agenda of the business to be presented at a City Council meeting. The chairperson and City Manager shall endeavor to publish the agenda of regular meetings five days prior to the meeting. The agenda packet containing all agenda items will be available for the City Council on that day.

- a) Non-Agenda items brought to Council by an individual Councilor must be introduced by motion during a City Council meeting and requested to be on the agenda for the next meeting. The motion, which can be made by the Councilor submitting the item, must have a second for the item to move to the next agenda.
- b) In a time sensitive or emergency situation, items may be brought forth, and by a majority vote of the Council, reviewed during the current meeting.

5) **Attendance.**

Councilors will inform the chairperson or the City Manager if they are unable to attend any meeting. Additionally, the Mayor will inform the President Pro Tem or the City Manager regarding any absence by the Mayor.

- a) Per Section 12 of the City Charter, "An office shall be deemed vacant upon the incumbent's death, insanity, conviction of a felony, resignation, removal from the city or absence from the city for a period of 30 days without the consent of the council in the case of the mayor, manager, municipal judge or councilor...and in the case of the mayor or a councilor, upon his/her absence from meetings of the council for 60 days without the consent of the council."
- b) When unable to physically attend a Council meeting, City Council members may participate in Council meetings, including executive sessions and work sessions, by telephone or video conference. Telephonic or video participation must be approved in advance by the chairperson and there must be a quorum present in the City Council Chambers before telephonic participation will be allowed. All Council members, whether attending the meeting in person or by telephonic/video means, shall have identical voting rights. The participant must be telephonically/video present for the entire meeting.

6) **Citizens Duties at City Council Meetings.**

- a) General Procedure. Citizens desiring to address Council shall first be recognized by the chairperson. All remarks and questions shall be addressed to the Council as a whole and not to any individual Councilor thereof. Any remarks and questions regarding administration of the City shall be referred to the City Manager by the chairperson.
- b) Agenda Items. Anyone desiring to speak to the Council on an agenda item must indicate their desire to speak to the chairperson by signing in on the request to speak form.

When that agenda item is on the floor for discussion, the chairperson will recognize registered individual(s) to address the Council.

- c) Non-Agenda Items. Anyone desiring to speak to the Council on a non-agenda item must first properly sign in on the request to speak form, clearly indicating the topic they wish to address. The chairperson, at their discretion, may permit such persons to address the Council and may limit the time for comment as needed, generally allowing between three to five minutes.
 - d) Speaker's Conduct. Citizens acknowledged by the chairperson to address the Council shall step up to the microphone, give his/her name, address and subject matter of their comments in an audible tone of voice for the record and, unless further time is granted by the chairperson, shall limit their address to three (3) minutes.
 - i) All comments shall be made to the entire Council and not to any single member or to staff.
 - ii) Any questions for Council members or staff shall be presented through the chairperson.
 - iii) The Council will determine the disposition of any issues raised (e.g., placed on the agenda, designated for a work session, future agendas, refer to staff, or do not consider).
 - e) Conduct of Audience. All audience members shall abide by the rules of common decorum contained herein and as would be commonly expected in a public setting. No audience member shall disrupt the conduct of the meeting or clap, cheer, hoot, holler, gesture, whistle, guffaw, jeer, boo, hiss, make remarks out of turn, use profanity, or the like. Any audience member who does so shall be determined out of order and the chairperson may have such person removed from the Council chambers. Such person shall not be permitted to attend the remainder of that Council meeting.
 - f) Citizen Complaints. All citizen complaints regarding city operations shall be submitted to the City Manager's office in writing preferably on the form provided by the City. Such forms will be available at City Hall and on the City's web site. Each form must be signed by the person making the complaint. The City Manager shall forward any such written complaints to the appropriate person for review. Citizen complaints brought directly to the Council during a meeting may not be heard or considered.
- 7) **Councilor's Duties at City Council Meetings.**
Councilors shall preserve order and decorum during Council meetings, and shall not, by conversation or other action, delay or interrupt the proceedings or refuse to obey the Orders of the chairperson. Councilors shall, when addressing staff or members of the public, confine themselves to questions or issues then under discussion, shall not engage in personal attacks, shall not impugn the motives of any speaker, and shall at all times, while in session or otherwise, conduct themselves in a manner appropriate to the dignity of their office.
- a) Every Councilor desiring to speak shall first address the chairperson and await recognition to obtain the floor. No person other than members of the Council and the person having the floor shall enter into any discussion, either directly or through a member of the Council without permission of the chairperson.
 - b) Any Councilor who has the floor shall confine himself or herself to the questions under debate, avoid personalities and refrain from impugning motives of any member, member argument or vote. No member shall address the chairperson or demand the floor while any vote is being taken.
 - c) Councilors shall limit their remarks on a subject to five minutes unless granted additional time by the Council. No Councilor shall be allowed to speak more than once upon any one subject, until every other member choosing to speak thereon has spoken.

- d) A Councilor once recognized shall not be interrupted while speaking, unless called to order by the chairperson, or unless a point of order is raised by any Councilor while they are speaking, in which case he or she shall cease speaking immediately until the point is determined. If ruled to be in order, the Councilor shall be permitted to proceed; if ruled to be out of order, the Councilor shall remain silent or shall alter their remarks as to comply with the ruling.
- e) City staff and employees shall observe the same rules of order and decorum as are applicable to the Council.

8) Mayor.

The Mayor shall act as the chairperson and preside at meetings of the Council, and be recognized as the head of the City for all ceremonial purposes. In case of the Mayor's absence or temporary disability, the President Pro Tem shall act as the chairperson during the continuance of the absence. In case of the absence or temporary disability of the Mayor and President Pro Tem, the members of the Council shall select a member to act as chairperson during the continuance of the absences. The Mayor or President Pro Tem are referred to as the "chairperson" from time-to-time in these Council Rules.

- a) At its first meeting of the new term after each biennial general election, the Council shall elect from its membership a chairperson who shall be Mayor for a term of two years. (2014 City of Sweet Home Charter, Sec. 3)
- b) The Mayor shall appoint the various committees provided for under the rules of the council or otherwise and shall fill all vacancies in committees of the council from that body. (2014 City of Sweet Home City Charter, Sec. 19)
- c) The Mayor shall sign all ordinances passed by the Council within three days after passage. (2014 City of Sweet Home City Charter, Sec. 19)
- d) The Mayor shall sign all instruments and writings authorized by the charter, the laws of the State of Oregon or the City Council. In the absence of the Mayor, such instruments shall be signed by the President Pro Tem of the City Council. (2014 City of Sweet Home City Charter, Sec. 19)
- e) All orders on the city treasurer shall be signed by two of the three following named city officers, being the Mayor, the City Manager and the City Treasurer. (2014 City of Sweet Home Charter, Section 19)

9) Mayor's Duties at City Council Meetings.

"The Mayor shall be the chairperson of the council and shall preside over its deliberations. He/she shall have the authority to preserve order, enforce the rules of the council and determine the order of business, subject to the rules of the council. He/she may vote as any other Councilor." (City of Sweet Home Charter, Section 16)

10) President Pro Tem

At its first meeting in the new term after each biennial election, the council shall elect from its membership, a President Pro Tem for a term of two years. The President Pro Tem shall perform the duties of the Mayor in the absence of the Mayor. (2014 City of Sweet Home Charter, Section 17)

11) Order of Business.

In the conduct of business of the City Council, the following procedure shall be substantially followed:

- a) Call to Order
- b) Roll Call
- c) Consent Agenda
- d) Recognition of Visitors and Hearing of Petitions
- e) Old Business
- f) New Business
- g) Ordinance Bills

- i) Request for Council Action and First Reading of Ordinance Bills
- ii) Second Reading of Ordinance Bills
- iii) Third Reading of Ordinance Bills
- h) Reports of Committees
- i) Reports of City Officials
- j) Council Business for Good of the Order
- k) Adjournment

12) Ordinance Bills.

Proposed ordinances shall be known as “ordinance bills.” They shall be numbered consecutively and filed by the City Manager in the order in which they are introduced.

- a) Numbering. The city recorder shall number all ordinances with a consecutive identification number during each calendar year, in the order of their introduction. Each number shall be followed by the last two digits of the year in which the ordinance was introduced.
- b) The enacting clause of all ordinances hereafter passed shall be “The City of Sweet Home does ordain as follows.” (2014 City of Sweet Home Charter, Section 23)
- c) All ordinances shall, before presentation to the council, have been approved as to form by the city attorney, or the city attorney’s designee.
- d) “Every ordinance shall be fully and distinctly read in open council meeting on one day and shall be read by title only on two different days previous to being put upon its final passage provided that the council may have the ordinance fully and distinctly read at any reading thereof; provided, however, that any ordinance may be introduced and read the first time at any meeting and may upon a unanimous vote of all the members of council present at the meeting be read a second time by title only and placed upon its passage at the meeting held on a separate and successive day.” (2014 City of Sweet Home Charter, Section 24)
- e) After an ordinance is introduced for consideration by the council for presentation for first reading, the council may direct that:
 - i) A public hearing on the ordinance be held;
 - ii) Refer the ordinance to committee for review and recommendation;
 - iii) Refer the ordinance to the city manager for further revision;
 - iv) Pass the ordinance to a second reading;
 - v) Pass the ordinance to a second reading and by, “...unanimous vote of all the members of the council present at the meeting be read a second time by title only and placed upon its passage at the meeting held on a separate and successive day.” (2014 City of Sweet Home Charter, Section 24)
 - vi) Reject the ordinance in whole or in part.
- f) Except as otherwise provided by this section, on second reading all ordinances shall be placed by title and number on a calendar of second reading and may be passed to a third reading as a group, provided that the vote for the passage of the calendar is unanimous.
- g) The third reading of ordinance bills need be read by title only.
- h) Each ordinance shall take effect on the thirtieth day after passage; provided that when the council deems it expedient or in case of emergency; an ordinance may provide a different time when it shall take effect, or that it shall take effect immediately. All ordinances shall be posted for 10 days after passage in three or more conspicuous places in the city. (2014 City of Sweet Home Charter, Section 25)

13) Procedure.

In all cases not specifically provided for herein or in the City Charter, the Council shall be governed by the law and precedents laid down in the then current edition of Robert’s Rules of Order.

14) Quorum.

A majority of council members is a quorum. A quorum is required to conduct business, but a smaller number may meet and adjourn from time to time to compel the attendance of absent members in the manner provided by ordinance. The Council shall keep a journal of its proceeding, and on the call of two members shall the yeas and nays to be taken and entered in the journal upon any question before it except a motion to adjourn. The proceedings of the council shall be public. (2014 City of Sweet Home Charter, Section 15)

15) Resolutions.

All resolutions shall be in writing and numbered consecutively in the order in which they are introduced in each calendar year.

16) Vote.

The concurrence of a majority of a quorum shall be required to determine any matter before the Council except as provided otherwise in the Charter. (2014 City of Sweet Home Charter, Section. 18)

a) All questions shall be voted on by affirmation except those involving the expenditure of money and third reading of ordinance bills in which case a roll call shall be taken. If the chairperson doubts or a decision is called for, a roll call shall be taken.

Every Councilor, when a question is taken, shall vote. If a Councilor is planning to abstain, the Councilor must declare the intent to abstain prior to the vote.

No Councilor shall be permitted to vote on any subject in which he or she has a conflict of interest.

17) Debate and Withdrawal of Motions.

Members who wish to make a motion must first be recognized by the chairperson. After the Councilor makes a motion the chairperson should then restate it or rule it out of order, then call for a second. No motion shall be debated until it has been seconded and distinctly announced by the chairperson and shall have been reduced to writing if so desired by any Councilor. It shall be read by the City Manager, or their designee, when required by members for information. A motion may be withdrawn at any time before amendment.

a) Most motions require a second, although there are some exceptions:

i) Nominations, points of order, requests to remove an item from the consent agenda, and motions to table.

ii) A motion to table does not require a second and is not debatable. The chairperson will state the motion and call for the vote.

b) Motions for Reconsideration. A Motion for Reconsideration must be made by a member from the prevailing side. Any member may make the second. The following rules apply to motions for reconsideration:

i) Motion must be in a timely manner but in no instance more than six (6) months after the original action.

ii) When (6) months have elapsed, any member may bring the item before the Council.

iii) No motion to reconsider an adopted quasi-judicial written decision shall be entertained after the close of the meeting at which the written findings were adopted.

18) Vacancies.

a) Vacancies in office filled by election or by appointment by the council shall be filled by appointment by the council at any regular or special meeting, and the person so appointed shall serve the full unexpired term and until his/her successor is chosen and qualified. (2014 City of Sweet Home Charter, Section 13)

b) Vacancies in offices filled by appointment by the manager shall be filled by appointment by the manager. An officer appointed to fill a vacancy shall within 24 hours after his/her appointment qualify for office, and unless he/she does so, the office shall be considered vacant. During the temporary absence of any officer from the city for any cause his/her

office may be filled temporarily in the manner provided for filling vacancies in office.
(2014 City of Sweet Home Charter, Section 13)

19) **Ethics.**

All members of the City Council shall conduct themselves so as to bring credit upon the City as a whole, and to set an example of good ethical conduct for all citizens of the community. Councilors should constantly bear in mind these responsibilities to the entire electorate, and refrain from actions benefitting any individual or special interest group at the expense of the City as a whole. Councilors should likewise do everything in their power to ensure impartial application of the law to all citizens, and equal treatment of each citizen before the law.

a) All members of the council shall review and observe the requirements of state ethics law. In addition to complying with state ethics law, all members of the council shall refrain from:

i) Disclosing confidential information.

ii) Taking action, which benefits special interest groups or persons at the expense of the City as a whole.

iii) Expressing an opinion contrary to the official position of the council without so saying.

iv) Conducting themselves in a manner so as to bring discredit upon the government of the City.

b) **Ex Parte Communications in Land Use.**

When Council receives written ex parte communication regarding land use, City Council should inform the citizen that the Council is interested in his or her perspective; however, because the Council is hearing the associated land use application, Council must refrain from reading and responding to information outside of the public hearing process. The Councilor should inform the citizen that the information received is being forwarded to staff for inclusion in the public record. Council shall then forward all ex parte correspondence received to staff as soon as possible for inclusion in the land use file, and if possible, the record.

c) **Expenses and Reimbursement.**

Councilor expenditures for other than routine reimbursable expenses (e.g. budgeted conference registration, travel, etc.) will require advance Council approval according to the purchasing rules which apply.

d) **Interference in Administration.**

No member of the council shall in any manner, directly or indirectly, by suggestion or otherwise, attempt to influence or coerce the manager in the making of any appointment or removal, or the purchase of supplies, or attempt to exact any promise relative to any appointment from any candidate for manager, or discuss, directly or indirectly, with any such candidate, the matter of appointments to any city office or employment. Any violation of the foregoing provisions of this section shall work a forfeiture of the office of the offending member of Council, may be removed therefrom by the Council or by any court of competent jurisdiction; provided, however, that nothing herein contained shall be construed as prohibiting the council, while in open session, discussing with or suggesting to the manager, fully and freely, anything pertaining to city affairs and for the best interest of the city. Neither the manager nor any person in the employ of the city shall take any part in securing, or shall contribute any money toward the nomination or election of any candidate for the municipal office. (2014 City of Sweet Home Charter, Section 20(f))

e) A Councilor who desires major policy or ordinance research should first raise the issue at a regular meeting of the Council. The Council should consider items in light of City priorities and workload and agree to proceed with an issue or ordinance before any staff time is spent preparing a report. The Councilor may present information or a position

paper or ask for a department report or committee recommendation. Councilors who agree that staff time can be spent on a particular item are not bound to support the issue when it comes before the Council for a vote.

20) Violations.

- a) The council may enforce these rules and ensure compliance with city ordinances, charter and state laws applicable to governing bodies. If a member of council violates these rules, city ordinances, the city charter or state laws applicable to governing bodies, the council may take action to protect the integrity of the council and discipline or remove the member.
 - b) The council may investigate the actions of any member of council and meet in executive session under ORS 192.660(2)(b) to discuss any finding that reasonable grounds exist that a violation of these rules, local ordinance, the city charter or state laws applicable to governing bodies has occurred. Sufficient notice must be given to the affected member to afford them the opportunity to request an open hearing under ORS 192.660(2)(b).
 - c) After the Executive Session or Public Hearing, if further action by the City Council is needed in addition to any other options allowed by law the City Council may use the following.
 - (1) Admonition: An admonition shall be verbal vote in open session made by the Council and recorded in the minutes.
 - (2) Reprimand: A reprimand shall be administered to the offending Councilor by letter. The letter shall be prepared by the City Council after action in open session to approve such letter. If the member objects to the contents of such letter, they may file a request for review of the content of the letter of reprimand with the City Council. The City Council shall review the letter of reprimand based upon the request for review and any record established, and may take whatever action reasonable and prudent under the circumstances.
 - (3) Removal from office: Removal from office shall occur after trial on written charges before the City Council and by complying with the recall provisions of ORS 249.865.
- ii) The action of the City Council in response to a violation of these Council Rules shall be final and not subject to further review before the City Council.

21) Legal Advice.

- a) Requests to the City Attorney for advice requiring legal research may not be made by a Council member without the consensus of the Council. Before requesting research or other action by the City Attorney, the Council member should consult with the City Manager. Exceptions to this are issues related to the performance of the City Manager and unique or sensitive City business-related requests.
- b) PRESERVING THE ATTORNEY CLIENT PRIVILEGE. No Council member shall make any disclosures or release any information which would result in the waiver of the attorney/client privilege without first obtaining the approval of a majority of the Council in open session. Such a request for disclosure shall first be raised during an executive session for discussion prior to a vote in open session.

22) Public Records.

- a) The disposition of public records created or received by Councilors shall be in accordance with Oregon Public Records Law. Written information incidental to the official duties of a member of the City Council, including mail messages, notes, memos and calendars (e.g., Outlook calendars and "Day Timers") are public records and are subject to disclosure under the Public Records Law.
- b) Documents submitted to the city as evidence or written testimony during a public hearing are public records. If such a document contains the name, address, including email address, and telephone number of the person, then it will be included in the record of the

proceeding. Because the name, address, including email address, and telephone number are part of a public record, this information will be generally disseminated to the public, and must be disclosed if a public records request is submitted for the documents. A person who believes such disclosure would present a danger to his or her personal safety, and who wishes to exempt his or her address, including email address, and telephone number from disclosure must submit a written request for non-disclosure to the city recorder.

23) Representing the City.

- a) Representing City. If a member of the council, to include the mayor, appears as a representative of the city before another governmental agency, the media or an organization to give a statement on an issue, the member may only state the official position of the city, as approved by a majority of the council.
- b) Personal Opinions. If a member of the council, to include the mayor, appears in their personal capacity before another governmental agency, the media or an organization to give a statement on an issue, the member must state they are expressing their own opinion and not that of the city before giving their statement.
- c) Upon returning, a reasonable effort should be made by the Councilor to communicate any information or questions pertinent to city business to the full council within a reasonable time frame.

24) Communication with Staff.

- a) City Council will respect the separation between policy making (Council function) and administration (City Manager function) by:
 - i) Working with the staff as a team with a spirit of mutual respect and support.
 - ii) Except in a Council meeting, not attempting to influence a City employee or the City Manager concerning personnel matters, purchasing issues, the award of contracts or the selection of consultants, the processing of development applications or granting of City licenses and permits. However, the sharing of ideas on these matters is appropriate.
 - iii) Limiting individual contacts with City staff to the City Manager, or other designated staff as not to influence staff decisions or recommendations, interfere with their work performance, undermine the City Manager authority or prevent the full Council from having the benefit of any information received.
 - iv) Council members shall not request City staff to perform significant work without the prior approval of the City Manager, so that workloads and work plans are not adversely impacted. Councilors will limit individual inquiries and requests for information from staff to those questions that may be answered readily as part of staff's day-to-day responsibilities. Questions of a more complex nature shall be directed to the City Manager.
 - v) Respecting roles and responsibilities of staff when and if expressing criticism in a public meeting or through public electronic mail messages.
 - vi) Members of the Council shall normally share any information obtained from staff with the entire council. This section is not intended to apply to questions by members of the council acting in their individual capacities rather than as members of the council, nor to questions regarding conflict of interest or similar issues particular to a member of the council.
 - vii) The mayor will refer any comments or questions regarding City personnel or administration to the City Manager. The mayor may redirect other questions to a Council member or the City Manager, as appropriate. Council members may also address questions directly to the City Manager, who may either answer the inquiry or ask a staff member to do so.

25) Non-Material Failure

- a) Non-material failures to follow the Council Rules in conducting business or to abide by the rules of procedure does not invalidate the decisions of the City Council nor will it be grounds to later challenge the validity of the decision.

CHAPTER 2.04: CITY COUNCIL

Section

- ~~2.04.010 Regular meetings.~~ City Council Rules
- ~~2.04.020 Special meetings.~~
- ~~2.04.030 Order of business.~~
- ~~2.04.040 Presiding officer.~~
- ~~2.04.050 Manner of voting.~~
- ~~2.04.060 Resolutions.~~
- ~~2.04.070 Ordinance bills.~~
- ~~2.04.080 Signing and dating of resolutions and ordinances.~~
- ~~2.04.090 Debate and withdrawal of motions.~~
- ~~2.04.100 Procedure.~~
- ~~2.04.110~~ 2.04.020 Elections officer.
- ~~2.04.120~~ 2.04.030 Nominations.
- ~~2.04.130~~ 2.04.040 Qualification for Council member.

§ 2.04.010 REGULAR MEETINGS. CITY COUNCIL RULES

~~The City Council shall hold regular meetings on the second and fourth Tuesdays of each month, commencing at the hour of 6:30 p.m.; however, when the day fixed for any regular meeting of the Council falls upon a day designated by law as a legal or national holiday, the meeting shall be held at the same hour on the next succeeding day not a holiday.~~

~~(Ord. 1253, 2016; Ord. 761, 1979; Ord. 340, 1958; Ord. 190, 1951)~~

The City Council may adopt rules by resolution for the governance of its members and proceedings which are titled Rules of the City Council and can be referred to as Council Rules. A set of Council Rules will be available at Sweet Home City Hall.

§ 2.04.020 SPECIAL MEETINGS.

~~At special meetings of the Council, called in a manner provided by the Charter, no business shall be acted upon except that mentioned in the notice or call of the special meeting.~~

~~(Ord. 190, 1951)~~

§ 2.04.030 ORDER OF BUSINESS.

~~In the conduct of business of the Council, the following procedure shall be substantially followed:~~

- ~~A. Roll call;~~
- ~~B. Consent agenda;~~
- ~~C. Recognition of visitors and hearing of petitions;~~
- ~~D. Old business;~~
- ~~E. New business;~~
- ~~F. Introduction, first and second reading of ordinance bills;~~
- ~~G. Third reading of ordinance bills;~~
- ~~H. Reports of committees;~~
- ~~I. Reports of city officials; and~~
- ~~J. Adjournment.~~

~~(Ord. 884, 1983; Ord. 190, 1951)~~

§ 2.04.040 PRESIDING OFFICER.

~~The presiding officer shall preserve order and decorum. He or she may speak on all questions of order in preference to any other member and he or she shall decide on all questions of order, subject to an appeal to the Council. In cases of appeal from the decision of the Chairperson, the appeal shall be stated as follows: "Shall the decision of the Chairperson stand as the decision of the Council?"~~

~~(Ord. 190, 1951)~~

§ 2.04.050 MANNER OF VOTING.

~~All questions shall be voted on by affirmation except those involving the expenditure of money and third reading of ordinance bills, in which case a roll call shall be had. If the presiding officer doubts or a decision is called for, a roll call shall be had.~~

(Ord. 1036, 1991; Ord. 190, 1951)

~~§ 2.04.060 RESOLUTIONS.~~

~~—All resolutions shall be in writing and numbered consecutively in the order in which they are introduced in each calendar year.~~

(Ord. 190, 1951)

~~§ 2.04.070 ORDINANCE BILLS.~~

~~—A. Proposed ordinances shall be known as “ordinance bills”. They shall be numbered consecutively and filed by the City Manager in the order in which they are introduced.~~

~~—B. All bills and resolutions may be introduced by any member of the Council or any committee. If objection be made to the introduction of an ordinance bill or resolution, it shall lay over until the next meeting except when the bill is reported by a committee or unless otherwise directed by the Council.~~

(Ord. 190, 1951)

~~§ 2.04.080 SIGNING AND DATING OF RESOLUTIONS AND ORDINANCES.~~

~~—All ordinances and resolutions shall be signed by the Mayor and City Manager and shall have therein the date of their passage by the Council and the date of approval by the Mayor.~~

(Ord. 190, 1951)

~~§ 2.04.090 DEBATE AND WITHDRAWAL OF MOTIONS.~~

~~—No motion shall be debated until it has been seconded and distinctly announced by the presiding officer and shall have been reduced to writing if so desired by any member. It shall be read by the City Manager when required by members for information. A motion may be withdrawn at any time before amendment.~~

(Ord. 190, 1951)

~~§ 2.04.100 PROCEDURE.~~

~~—In all cases not specifically provided for herein or in the Charter, the Council shall be governed by the law and precedents laid down in the then current edition of *Robert’s Rules of Order*.~~

(Ord. 1240, § 2, 2015; Ord. 190, 1951)

~~§ 2.04.110–2.04.020 ELECTIONS OFFICER.~~

The City Manager is the ex-officio City Recorder and is also the Chief Elections Officer of the city.
(Ord. 949, 1986)

~~§ 2.04.120–2.04.030 NOMINATIONS.~~

Only a qualified elector under state law who has resided in the city at least one year immediately before the election may be nominated for the Council by one of the following methods.

A. A petition to make such a nomination shall be signed by not less than ten, nor more than 20, electors. No elector shall sign more than one such petition and, should an elector do so, his or her signature shall be void as to the petition or petitions last filed. The petitions shall be filed not earlier than 100 days, nor later than 64 days, before the election date. Each candidate shall have the signatures of the electors on his or her petition verified by the County Elections Officer, prior to filing the petition with the City Elections Officer.

B. A declaration of candidacy shall be signed and a fee of \$10 shall be paid to the city at the time of filing. The declaration of candidacy shall be filed not earlier than 100 days, nor later than 64 days, before the election date.

C. A write-in vote at the time of the election as allowed by state law.
(Ord. 1240, §§ 3, 4, 2015; Ord. 1050, 1992; Ord. 949, 1986)

~~§ 2.04.130–2.04.040 QUALIFICATION FOR COUNCIL MEMBER.~~

Only a qualified elector under state law who has resided in the city at least one year immediately before an appointment to Council may be a Council member.

(Ord. 1240, § 5, 2015)

CHAPTER 2.04: CITY COUNCIL

Section

- 2.04.010 City Council Rules
- 2.04.020 Elections officer.
- 2.04.030 Nominations.
- 2.04.040 Qualification for Council member.

§ 2.04.010 CITY COUNCIL RULES

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§ 2.04.040 QUALIFICATION FOR COUNCIL MEMBER.

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ORDINANCE BILL NO. 4 FOR 2018

ORDINANCE NO.

SWEET HOME ORDINANCE PERTAINING TO COUNCIL RULES AND AMENDING SHMC CHAPTER 2.04 TITLED CITY COUNCIL

WHEREAS, the City Council desires to bring together city policies, regulations and laws that pertain to the governance of the City Council known as Rules of the City Council which can be referred to as Council Rules;

WHEREAS, SHMC Chapter 2.04 sets forth some of the rules used by the City Council and needs to be amended to remove conflicts and duplications with the proposed Council Rules;

Now Therefore,

The City of Sweet Home does ordain as follows:

Section 1. Sweet Home Municipal Code Section 2.04.010 is hereby titled CITY COUNCIL RULES and is amended to read as follows:

The City Council may adopt rules by resolution for the governance of its members and proceedings which are titled Rules of the City Council and can be referred to as Council Rules. A set of Council Rules will be available at Sweet Home City Hall.

Section 2. The text of Sweet Home Municipal Code Sections 2.04.020 through 2.04.100 inclusive is hereby repealed.

Section 3. Sweet Home Municipal Code Section 2.04.110 is renumbered 2.04.020; 2.04.120 is renumbered 2.04.030; and 2.04.130 is renumbered 2.04.040 with the unused section numbers being omitted from the ordinance.

PASSED by the Council and approved by the Mayor this ____ day of _____, 2018.

Mayor

ATTEST:

City Manager - Ex Officio City Recorder

SWEET HOME CITY COUNCIL
COMMUNITY HEALTH COMMITTEE
MEETING MINUTES

July 16, 2018

The meeting was called to order at 6:00 p.m. in the City Hall Conference Room.

Present: Councilor Gourley, Jim Gourley, Dick Knowles, Bill Matthews, Larry Horton (6:03pm)

Staff Present: Ray Towry, City Manager

Approval of Minutes June 18, 2018: Amend Minutes to appropriately reflect Dick Knowles comment.

Committee Reports:

Health Fair Committee: Bob Dalton reported they are still working to secure vendors and that Samaritan Health has committed to 10 cases of water. Bob Dalton will follow up with Safeway regarding water as well. Bob Dalton is concerned about the heat on the day of the event and is working to secure a fan from Napa, Ice from the School District and ice and water from Safeway.

Mr. Dalton stated his disappointment in the lack of Council and administrative support for the community. The question was asked how the project can access City funds in which City Manager replied the City could be billed directly or receipts turned in for reimbursement. Discussion ensued about the rental fee for tables from the Chamber. It was reported Sweet Home Fire and Ambulance may not be interested in having a table at the event.

Western University/ City Project: Bob Dalton reported Dr. Muscato has been unavailable and there is currently no timeline.

Western University/ City Outreach: Dr. Horton reported no contact as of late, however he is hopeful to have a report by the end of August. Dr. Horton will reach out to Di Lacey.

Hero Banner Project: Jim Gourley stated 15 additional banners are in process. He is setting up an external committee to take over the project by the end of August. The banners are expected to have a lifecycle of 5-10 years.

Community Resources Committee: It was reported the committee is meeting weekly and currently have 6-8 active members. The committee is looking to find property or a building to purchase. The committee is also researching options of converting a bus to showers which could then make a circuit between multiple cities to share cost. The possibility of a singular sponsor such as Samaritan Health was discussed.

Good of the Order: Community Needs – Bob Dalton discussed the philosophy of the committee. Discussion ensued on how to identify specific demographics and causes of homelessness to connect with specific resources.

Meeting adjourned.

With no further business the meeting adjourned at 7:30 pm

The foregoing is a true copy of the proceedings of the City Council Community Health Committee Meeting on June 18, 2018.

Chair – Councilor Gourley

Date:



Finance Department

To: City Council
Ray Towry, City Manager

From: Brandon Neish, Finance Director

Subject: Finance Department Monthly Report – July 2018

The Finance Department is responsible for the for the fiscal management of the City of Sweet Home. This includes accounts payable, payroll, general accounting, preparing the annual budget and the city's annual audit. This department also administers the city's assessment docket, coordinates employee's benefits and maintains financial records relating to grants and contracts. The following information represents the department's activities during the month of **July 2018**.

Accounts Payable:

The Finance Department maintains a weekly schedule for AP disbursements when possible. City departments submit documentation through Springbrook to request payment to vendors. Once the Finance Department has a completed purchase order and invoice/receipt, a check is printed and mailed within seven (7) business days.

For the month of July 2018, 80 checks were printed totaling \$221,268.93. A list of the checks is provided for your review. Below is a list of the checks that were equal to or exceeded \$5,000 and their purpose (if not clear on list).

Check No.	Vendor	Description	Amount
87466	SAIF Corporation	Annual workers' compensation premium	\$56,360.00
87480	CH2M/Jacobs	May 2018 Out of Scope Services	\$5,000.00
87486	Dude Solutions	Startup costs for Facility Dude work order system (Public Works)	\$12,730.00
87489	Ferguson Waterworks	Distribution meter parts	\$6,864.48
87502	MurraySmith	Engineering costs for WWTP	\$48,506.40
87514	Petrocard	Fuel for city vehicles	\$5,767.07
87522	Selectemp	Temporary employees for Public Works	\$6,018.60

Passports:

Since 2001, the city has been accepting passport applications for the United States Department of State. Travelers can call, stop by city hall or visit the city's website for information on application requirements.

For the month of July 2018, the city processed 29 passports and took 21 passport pictures.

Lien Searches:

The city has various liens that can be applied to properties in Sweet Home. The city can apply a lien for past due utility balances or a property owner can place a lien on their property for improvement assessments per ORS. An internet database maintains a list of these liens and is searchable by title companies for paying off outstanding balances during a sale. Each lien search generates \$25.00 for the city.

For the month of July 2018, 62 lien searches were completed.

Utility Billing:

In July 2017, utility billing became the responsibility of the Finance Department. Utility billing is responsible for the timely reading of water meters in the city and distribution of bills to residents and businesses. The revenue generated from the utility bills covers the costs associated with operating and maintaining the Water Treatment Plant and the Wastewater Treatment Plant as well as the maintenance of the city's distribution and collection systems.

For the month of July 2018, the city processed 280 service requests and saw 26 new customers open accounts in Sweet Home. In total, 51 accounts were opened and 42 were closed. The city processed 3,284 utility billing statements and 1,089 past due notices. 72 accounts were turned off for non-payment.

Bank Reconciliation

Checks by Date

User: bneish
 Printed: 08/04/2018 - 7:44PM
 Cleared and Not Cleared Checks



Check No	Check Date	Name	Comment	Module	Clear Date	Amount
87462	7/9/2018	BRADLEY CLARK		AP		300.00
87463	7/9/2018	DEMCO		AP		63.26
87464	7/9/2018	LGPI		AP		1,375.00
87465	7/9/2018	MUSEUM OF NATURAL AND CULT		AP		126.00
87466	7/9/2018	SAIF CORPORATION		AP		56,360.00
87467	7/18/2018	DAVID LICHTENSTEIN		AP		400.00
0	7/20/2018	DAILY JOURNAL OF COMMERCE		AP	7/23/2018	832.60
87468	7/20/2018	911 SUPPLY		AP		178.80
87469	7/20/2018	ACCELA, INC. #774375		AP		3,262.50
87470	7/20/2018	ALSCO		AP		308.22
87471	7/20/2018	AMERICAN PROMOTIONAL EVENI		AP		25.00
87472	7/20/2018	ARAMARK UNIFORM SERVICES		AP		453.12
87473	7/20/2018	AWE ACQUISITION, INC.		AP		550.00
87474	7/20/2018	BUCKMASTER, INC.		AP		153.00
87475	7/20/2018	BUCK'S SANITARY SERVICE, INC.		AP		348.00
87476	7/20/2018	BULLFROG ENTERPRISES		AP		177.33
87477	7/20/2018	CARTER'S FIRE SPRINKLER MAINI		AP		3,774.00
87478	7/20/2018	CENTER POINT LARGE PRINT		AP		175.56
87479	7/20/2018	CENTURYLINK		AP		1,327.44
87480	7/20/2018	CH2M OM SERVICES		AP		5,000.00
87481	7/20/2018	CITY DELIVERY SERVICE		AP		37.90
87482	7/20/2018	COMCAST		AP		466.14
87483	7/20/2018	CUES		AP		1,717.47
87484	7/20/2018	DAN DEE SALES		AP		40.00
87485	7/20/2018	DRIVER AND MOTOR VEHICLE SEI		AP		11.50
87486	7/20/2018	DUDE SOLUTIONS, INC.		AP		12,730.00
87487	7/20/2018	Shawn Eaton		AP		15.99
87488	7/20/2018	FASTENAL COMPANY		AP		157.54
87489	7/20/2018	FERGUSON WATERWORKS #3011 A		AP		6,864.48
87490	7/20/2018	GATEWAY IMPRINTS, INC.		AP		440.00
87491	7/20/2018	GOING GREEN		AP		35.00
87492	7/20/2018	HOY'S TRUE VALUE		AP		2,743.00
87493	7/20/2018	HUTCHINS WELDING AND REPAIR		AP		25.70
87494	7/20/2018	INGRAM LIBRARY SERVICES		AP		287.22
87495	7/20/2018	JOHN DEERE FINANCIAL		AP		134.69
87496	7/20/2018	LES SCHWAB WAREHOUSE CENTE		AP		129.72
87497	7/20/2018	LIBERTY ROCK PRODUCTS, INC.		AP		439.46
87498	7/20/2018	LINN BENTON TRACTOR CO.		AP		1,524.34
87499	7/20/2018	LINN COUNTY RECORDER		AP		105.00
87500	7/20/2018	LINN COUNTY TREASURER		AP		176.00
87501	7/20/2018	MOONLIGHT BPO, INC.		AP		2,130.33
87502	7/20/2018	MURRAYSMITH		AP		48,506.40
87503	7/20/2018	NATIONAL BUSINESS SOLUTIONS		AP		998.05
87504	7/20/2018	NET ASSETS		AP		494.00
87505	7/20/2018	NEW ERA		AP		3,926.14
87506	7/20/2018	NORM'S ELECTRIC, INC.		AP		95.00

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
87507	7/20/2018	NORTHWEST CODE PROFESSIONA		AP		2,633.07
87508	7/20/2018	NORTHWEST NATURAL		AP		213.47
87509	7/20/2018	O & M POINT S TIRE & AUTO SERV		AP		14.00
87510	7/20/2018	OFFICE DEPOT		AP		158.18
87511	7/20/2018	OREGON DEPT. OF REVENUE		AP		1,331.63
87512	7/20/2018	OWEN EQUIPMENT COMPANY, INC		AP		632.15
87513	7/20/2018	PACIFIC POWER		AP		21,240.57
87514	7/20/2018	PETROCARD		AP		5,767.07
87515	7/20/2018	PETTY CASH - FINANCE OFFICE		AP		27.30
87516	7/20/2018	PETTY CASH - LIBRARY		AP		112.13
87517	7/20/2018	CITY OF SWEET HOME POLICE DE		AP		142.55
87518	7/20/2018	RENEWED PROPERTIES, LLC		AP		129.10
87519	7/20/2018	SAIF CORPORATION		AP		75.00
87520	7/20/2018	SAMARITAN OCCUPATIONAL MED		AP		268.00
87521	7/20/2018	Paul Doug Seibel		AP		3,000.00
87522	7/20/2018	SELECTEMP CORPORATION		AP		6,018.60
87523	7/20/2018	SOUTH FORK TRADING CO., INC.		AP		377.99
87524	7/20/2018	GERRIT SOUTHARD		AP		83.75
87525	7/20/2018	STANDARD INS. CO.		AP		3,837.07
87526	7/20/2018	STAPLES ADVANTAGE		AP		2,423.99
87527	7/20/2018	SUNBELT RENTALS, INC.		AP		555.11
87528	7/20/2018	SUNSHINE INDUSTRIES UNLIMITE		AP		1,300.00
87529	7/20/2018	SURE-CLEAN NORTHWEST, INC.		AP		94.00
87530	7/20/2018	REBECCA SWOBODA		AP		45.72
87531	7/20/2018	SYNCB/AMAZON		AP		1,076.80
87532	7/20/2018	TELL & SELL		AP		155.72
87533	7/20/2018	The Fab Shop, LLC		AP		2,915.71
87534	7/20/2018	TWGW, INC. NAPA AUTO PARTS		AP		561.61
87535	7/20/2018	TYLER TECHNOLOGIES, INC.		AP		3,112.50
87536	7/20/2018	VALLEY FIRE CONTROL, INC.		AP		1,056.80
87537	7/20/2018	VERIZON WIRELESS		AP		1,651.30
87538	7/20/2018	WELLS FARGO FINANCIAL LEASIN		AP		49.00
87539	7/20/2018	WELLS FARGO VENDOR FIN SERV		AP		296.00
87540	7/20/2018	WILBUR-ELLIS COMPANY LLC		AP		492.14

Total Check Count: 80

Total Check Amount: 221,268.93



SWEET HOME POLICE DEPARTMENT
CHIEF OF POLICE
 1950 Main Street
 Sweet Home, OR 97386
 (541) 367-5181 Fax (541) 367-5235

From a public safety standpoint, we had a very successful Oregon Jamboree. Attached below are the Department's call loads from Thursday (8/2/18) through Monday (8/6/18). There were significantly fewer calls for service and calls related to the Oregon Jamboree than in years past.

Thursday thru Monday	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Calls For Services	199	269	220	231	207	221	188	258	204	231
Jamboree Related	25	39	48	57	37	43	31	36	29	30
	12.56%	14.50%	21.82%	24.68%	17.87%	19.46%	16.49%	13.95%	14.22%	12.99%

Our community was assisted by officers from the Lebanon Police Department and the Oregon State Police during the event. Both agencies contributed to keeping the roads and citizens safe. I would like to thank each of those agencies for the help.

We will conduct a debriefing on the event and look for ways to improve. Along with the Oregon Titan Fusion Center, I have been contacted by the Department of Homeland Security, who is interested in assisting with threat assessments and additional safety measures for future Oregon Jamborees.

Attached with this report is the Oregon-Idaho HIDTA Cannabis Impact Report. The report is for information purposes only.



Department of Justice

United States Attorney Billy J. Williams
District of Oregon

FOR IMMEDIATE RELEASE
THURSDAY, AUG. 2, 2018
WWW.USDOJ.GOV/USAO/OR

CONTACT: KEVIN SONOFF
PHONE: (503) 727-1185
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U.S. ATTORNEY STATEMENT ON RELEASE OF 2018 HIDTA MARIJUANA INSIGHT REPORT

PORTLAND, Ore.—Billy J. Williams, U.S. Attorney for the District of Oregon provided the below statement on the release of the Oregon-Idaho High Intensity Drug Trafficking Area (HIDTA) 2018 Marijuana Insight Report.

“The recent HIDTA Insight Report on marijuana production, distribution, and consumption in Oregon confirms what we already know—it is out of control. The industry’s considerable and negative impacts on land use, water, and underage consumption must be addressed immediately. State officials should respond quickly and in a comprehensive manner to address the many concerns raised by this assessment. To date, we’ve seen insufficient progress from our state officials. We are alarmed by revelations from industry representatives, landowners, and law enforcement partners describing the insufficient and underfunded regulatory and enforcement structure governing both recreational and medical use. A weakly-regulated industry will continue to detract from the livability and health of communities throughout the state.”

“What is often lost in this discussion is the link between marijuana and serious, interstate criminal activity. Overproduction is rampant and the illegal transport of product out of state—a violation of both state and federal law—continues unchecked. My ask continues to be for transparency, responsible regulation, adequate funding, and a willingness to work together. It’s time for the state to wake up, slow down, and address these issues in a responsible and thoughtful manner.”

The Oregon HIDTA program was established by the White House Office of National Drug Control Policy (ONDCP) in June of 1999. In 2015 the program expanded into Idaho and was renamed the Oregon-Idaho HIDTA. The Oregon-Idaho HIDTA consists of 14 counties and the Warm Springs Indian Reservation. Counties in the HIDTA include Oregon’s Clackamas, Deschutes, Douglas, Jackson, Lane, Linn, Malheur, Marion, Multnomah, Umatilla and Washington counties, and Idaho’s Ada, Bannock and Canyon counties.

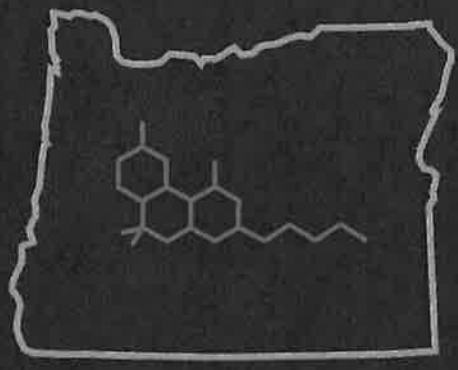
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Insight Report



An Initial Assessment of Cannabis Production, Distribution, and Consumption in Oregon 2018 - An Insight Report

First Edition - Updated Version
August 6, 2018

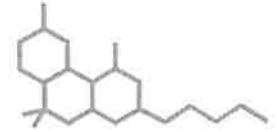


Oregon - Idaho High Intensity Drug Trafficking Area
4190 Aumsville Hwy, Salem, OR 97317

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Prepared by the Oregon –Idaho High Intensity Drug Trafficking Area

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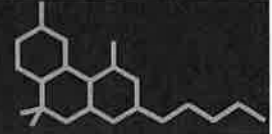
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Section I: Project Objectives, Research Design, and Analytic Scope

Report Purpose



Oregon has had a state-authorized medical cannabis system since 1998, and, in November 2014, Oregon voters approved the Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act (commonly known as Measure 91) to legally commercialize non-medical retail cannabis in the state implemented as of July 2015. As a result, the Oregon-Idaho High Intensity Drug Trafficking Area (OR-ID HIDTA) initiated the Oregon Cannabis Insight Report in recognition of the need to continuously examine the effects of cannabis production, distribution, and consumption in Oregon. The OR-ID HIDTA established a research framework based on shared concerns – areas of common interest to both the federal and state government – and then impartially gathered and examined readily available data, which is relevant to those concerns. Thereby, this project establishes an empirical foundation on which ongoing strategic analyses can be conducted. This research effort does not purport to be a policy evaluation or policy performance review; rather this assessment provides a verifiable analysis of assorted information and data, which has been centralized as part of this research effort.

Research Design

When establishing the research's scope, the OR-ID HIDTA employed the now historic United States Department of Justice's (USDOJ) "Cole Memo" and letter of the law codified by Measure 91, which, when combined, clearly defined areas of shared concern. Despite the rescission of the Cole Memo, the areas of concern (Enforcement Priorities) it identified became the bedrock of Oregon's Ballot Measure 91. According to the August 29, 2013 memorandum by former USDOJ Deputy Attorney General James M. Cole, specific areas of concern are ¹:

- *Preventing the distribution of marijuana to minors;*
- *Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;*
- *Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;*
- *Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;*
- *Preventing violence and the use of firearms in the cultivation and distribution of marijuana;*
- *Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;*

1.Cole, James M. 2013. "Guidance Regarding Marijuana Financial Crimes." *U.S. Department of Justice*. August 29. Accessed September 26, 2016. <https://www.justice.gov/sites/default/files/usao-wdwa/legacy/2014/02/14/DAG%20Memo%20-%20Guidance%20Regarding%20Marijuana%20Related%20Financial%20Crimes%202%2014%2014%20%20%282%29.pdf>.

Report Purpose

- *Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and*
- *Preventing marijuana possession or use on federal property.*

Oregon's Measure 91 follows similarly ²:

- *Eliminate the problems caused by the prohibition and uncontrolled manufacture, delivery, and possession of marijuana within Oregon;*
- *Prevent the distribution of marijuana to persons under 21 years of age;*
- *Prevent the revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;*
- *Prevent the diversion of marijuana from this state to other states;*
- *Prevent marijuana activity that is legal under state law from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;*
- *Prevent violence and the use of firearms in the cultivation and distribution of marijuana;*
- *Prevent drugged driving and the exacerbation of other adverse public health consequences associated with the use of marijuana;*
- *Prevent the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and*
- *Prevent the possession and use of marijuana on federal property.*

The guidance issued by former Deputy Attorney General James M. Cole was officially rescinded by the January 4th, 2018 Memorandum from Attorney General Jeff Sessions³, which stated that:

In the Controlled Substances Act, Congress has generally prohibited the cultivation, distribution, and possession of marijuana. 21 U.S.C. § 801 et seq. It has established significant penalties for these crimes. 21 U.S.C. § 841 et seq. These activities also may serve as the basis for the prosecution of other crimes, such as those prohibited by the money laundering statutes, the unlicensed money transmitter statute, and the Bank Secrecy Act. 18 U.S.C. §§ 1956-57, 1960; 31 U.S.C. § 5318. These statutes reflect Congress' s determination that marijuana is a dangerous drug and that marijuana activity is a serious crime.

In deciding which marijuana activities to prosecute under these laws with the Department's finite resources, prosecutors should follow the well-established principles that govern all federal prosecutions. Attorney General Benjamin Civiletti originally set forth these principles in 1980, and they have been refined over time, as reflected in chapter 9-27 .000 of the U.S. Attorneys' Manual. These principles require federal prosecutors deciding which cases to prosecute to weigh all relevant considerations, including federal law

2.State of Oregon. "Measure 91 - the Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act." *Oregon Recreational Marijuana*. 2014. <http://www.oregon.gov/olcc/marijuana/Documents/Measure91.pdf> (accessed June 21, 2018).

3.Sessions, Jefferson B. 2018. Memorandum for All United States Attorneys. Memorandum, Washington D.C.: United States Department of Justice.

Report Purpose

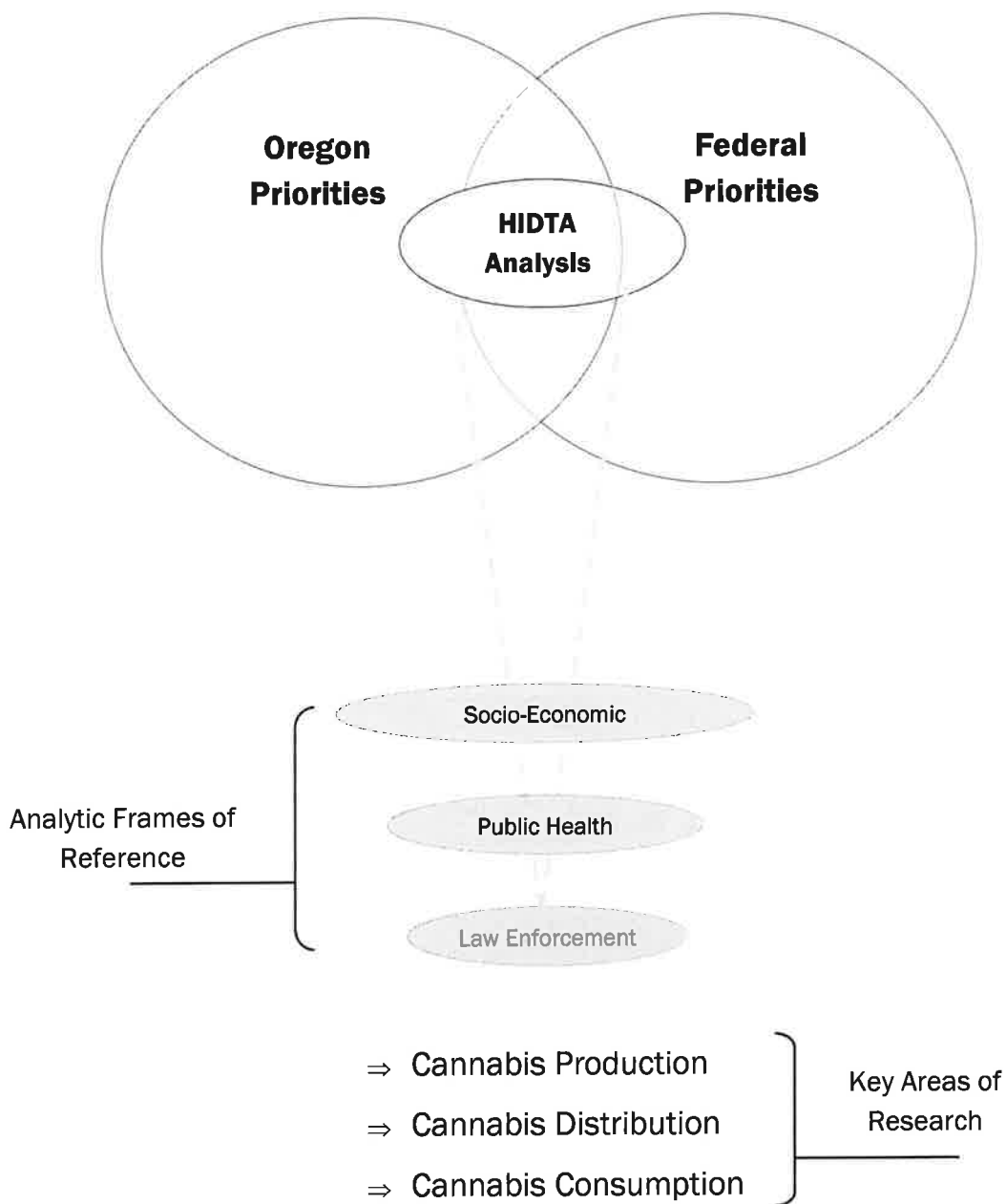
enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community.

Given the Department's well-established general principles, previous nationwide guidance specific to marijuana enforcement is unnecessary and is rescinded, effective immediately. This memorandum is intended solely as a guide to the exercise of investigative and prosecutorial discretion in accordance with all applicable laws, regulations, and appropriations. It is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter civil or criminal.

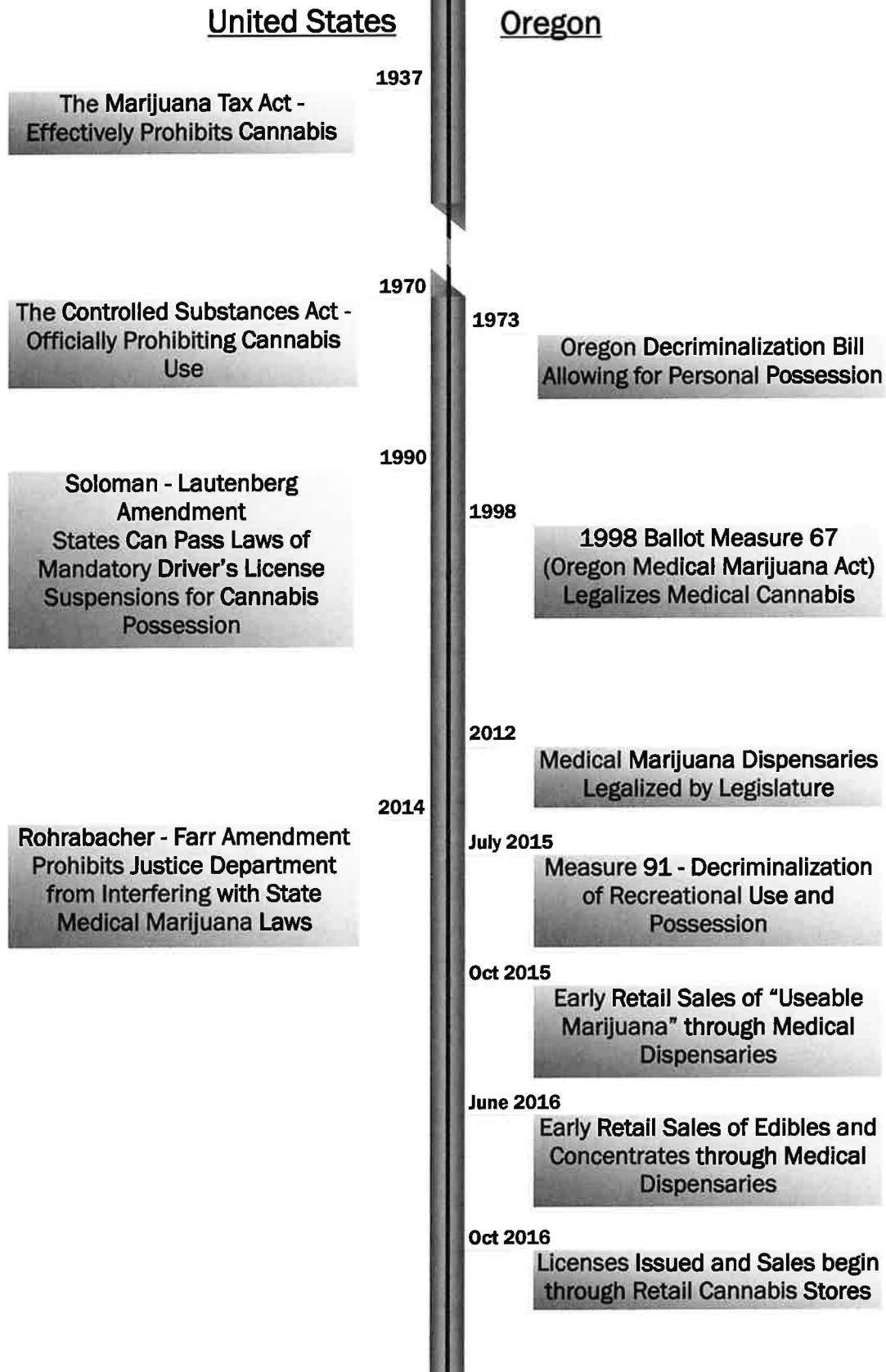
The criteria listed above was used as the basis for hierarchal structured argumentation and problem formulation. In this process, OR-ID HIDTA broke larger, more complicated intelligence questions into manageable individual research topics, upon which, comprehensive research design was established.

Report Scope and Analytic Framework

The OR-ID HIDTA recognized the differences in United States Code and Oregon Revised Statutes, and therefore chose to focus research efforts on the shared areas of concern that were identified in the now obsolete federal guidance and subsequently crystallized into state law, along with the relevant considerations for potential prosecution outlined by the U.S. Attorneys' Manual. The overlapping areas of interest were evaluated through three primary frames of reference that centered on production, distribution, and consumption of cannabis by using a mixture of reliable direct and indirect data sources. All sources were evaluated using prescribed analytic standards from the Director of National Intelligence outlined in Intelligence Community Directives.



History of Cannabis Legality at Federal and Oregon State Levels



Section II: Key Findings

This section outlines key findings from the research that is covered in this assessment. The section has three subsections that are divided into socio-economic, public health, and law enforcement perspectives. For additional context into the research and analysis shown below, please refer to the parent section from which these are derived.

Key Socio-Economic Perceptive Findings

Production Essential Elements of Information - On Pages 15—19

Production

Oregon's estimated current annual production capacity exceeds 911,000 kg (2 million lb), far outpacing annual state consumption demands, which itself is between 84,400 to 169,000 kg (186,100 to 372,600 lb)ⁱ. Oregon's estimated current annual production capacity is capable of producing approximately \$6.7 billion worth of cannabis. In the period immediately following state-sanctioned legalization, Oregon had approximately 417,000 active cannabis users (roughly 10% the state's population) of varying usage frequency. As of August 2018, within the state-sanctioned market, there is about one cannabis grow site for every 25 users - reflecting current population estimates. Additionally, as a result of cannabinoid extract production, the Oregon Burn Center spent \$9.6 million for initial acute care treating inpatient burn victims from July 2015 through January 2018. In the same period of time, law enforcement investigated 64 clandestine cannabinoid extraction laboratories, 21 of which (33%) resulted in explosion or fire. As a result of overproduction, impoverished counties that are heavily engaged in the cultivation of cannabis, such as Jackson, Josephine, and Lane; face a critical economic risk from collapsing cannabis prices. Cannabis production is resource intensive, on average a mature plant consumes 22.7 liters of water daily (more than a vineyard grapevine) and a single kilogram of finished flower requires 5.2 megawatt hours yearly (twice the average yearly consumption of a refrigerator), resulting in the release of 4.5 metric tons of carbon dioxide (equal to the average yearly emissions of a passenger car). Due to historic use of and the exponential growth of cannabis cultivation, the Rogue River Basin is under acute hydrologic strain.

Distribution Essential Elements of Information - On Pages 20—22

Distribution

As of August 2018, there are 574 retailers and 126 wholesalers actively licensed by OLCC, with an additional 352 retailers and 223 wholesalers applications awaiting agency review. Currently in Oregon, analysis indicates that there are higher concentrations of state-sanctioned cannabis distributors in lower-income communities and historically disenfranchised areas – a potentially temporary trend. The highest concentrations of recreational retailers are found in Multnomah, Lane, Marion, and Jackson Counties. Coinciding with the exponential growth of state-sanctioned cannabis markets, there has been an aggressive expansion of sub-sector digital currencies tailored for cannabis services. In Q-3 of 2017 alone, at least \$88 million related to the distribution of cannabis was routed through financial institutions in Oregon.

i. Refer to Section II of the Technical Appendix for methods used to estimate Total State Production capacity and Total State Consumption rate.

Consumption Essential Elements of Information - On Pages 22 and 23

Consumption Among the roughly 417,000 cannabis users in Oregon, approximately 128,000 are multiple daily users.ⁱⁱ The single largest portion of cannabis users are between the ages of 25 and 44; this population of roughly 164,000 individuals accounts for an approximate annual consumption of at least 38,400 kg (84,600 lb). Statewide, cannabis users consume an estimated 84,000 to 169,000 kg (185,100 to 372,600 lb) annually – a market value of up to \$1.3 billion in sales. And according to figures published from the Oregon Department of Revenue in July 2018, the state has collected \$173.1 million cumulatively in the last three fiscal years from “marijuana taxes.” Yet, a glut of cannabis stockpiles stemming from overproduction has caused a 50% annual price drop since 2016. Epidemiological research indicates that cannabis consumption is higher among medical users, who are exempt from excise taxation. As of 2018, only 31% of available cannabis inventory was distributed, leaving 69% unconsumed within the state-sanctioned recreational system.

ii. Multiple daily use is more than one use per-day.

Key Public Health Findings

Production Essential Elements of Information - On Pages 26 and 27

Production

Between July 2015 and January 2018, the Oregon Burn Center provided inpatient initial care to 71 burn victims as a result of cannabinoid extract production, at least one of whom died. Medical staff at the Oregon Burn Center noticed a seasonal increase of cannabinoid extract burn victims during winter months – hypothesized to be a result of decreased air circulation and potentially increased post-harvest processing. A discernable public health risk is emerging among cannabis testing laboratories from a trade-off between accuracy and expense; reduced cost gives reduced accuracy.

Distribution Essential Elements of Information - On Pages 27—30

Distribution

In 2016 and 2017, 54.8% of adult Oregonians reported exposure to cannabis advertising in the last 30 days, while only 29% of them reported having seen information about the health risks of cannabis use. As of 2017, 37.2% of 8th graders and 49.5% of 11th graders in Oregon reported exposure to online cannabis advertising in the last 30 days. Currently, Oregon allows cannabis advertising on media platforms where less than 30% of viewership is underage, which is twice the recommended threshold by experts in prevention and reduction. Additionally, it is unclear how audiences are identified or what entity carries the responsibility for ensuring cannabis advertising is permissible. By 2016, cannabis was reported as easier to access than cigarettes among 11th graders in Oregon.

Consumption Essential Elements of Information - On Pages 30—33

Consumption

Following state-sanctioned legalization, in 2016, 11% of current adult cannabis users self-reported less frequent use, while 64% self-reported comparable use, and 25% self-reported more frequent use. As of 2017, 6.7% of 8th graders and 20.9% of 11th graders self-reported cannabis use in the last 30 days.ⁱⁱⁱ Perception of risk from weekly cannabis use among both 8th and 11th graders decreased between 2014 and 2016, though the change was not statistically significant. By 2017, nearly one in five 8th and 11th graders reported living in a household with an adult who uses cannabis. Between October 2015 and October 2016, the rate of cannabis-related emergency department visits increased 85% from 3.4 per 1000 to 6.3 per 1000. Cannabis-related calls to the Oregon Poison Control Center rose from 103 in 2014 to 348 by 2016; tachycardia^{iv} was the most commonly reported clinical effect. Among impaired driving fatalities, analysis of toxicology results from 2010 through 2015 indicates that an average of 5% of drivers involved in traffic fatalities were THC positive. Yet, in the same period, only 38% of traffic fatalities were subject to a toxicology screening. Additional traffic fatality data indicates that there was a 50% increase in motor-vehicle involved pedestrian fatalities between 2013 and 2016 – information gaps remain as to why this occurred, further evaluation is required to determine the roots causes of this increase.

iii. Current use of cannabis means any use of a marijuana preparation, in any form, within the last 30 days. This is the standard definition on national and state health surveys for both youth and adults.

iv. Abnormally rapid heart beat.

Key Law Enforcement Findings

Production Essential Elements of Information - On Pages 36 and 37

Production

As recently as 2016, illicit cannabis cultivation on public lands persisted unabated, despite the emergence of the state-sanctioned cannabis production market. From 2011 through 2016, 84% of trespass illicit grow sites were found on U.S. Forest Service lands. In 2016 alone, over 26,500 plants – worth \$362 million – were removed from public lands across Oregon. In all, from 2011 through 2016, statewide illicit grow sites produced \$2.1 billion worth of cannabis. Aside from illicit grow operations, law enforcement in Oregon investigated at least 64 clandestine cannabinoid extract laboratories between July 2015 and January 2018, 21 of which resulted in a fire or explosion.

Distribution Essential Elements of Information - On Pages 38—40

Distribution

Illicit distribution of cannabis has persisted after the emergence of the state-sanctioned market. Between July 2015 and January 2018, 6,602 kg (14,550 lb) of trafficked Oregon cannabis was seized en route to 37 states - worth more than \$48 million. During that period of time, Oregon cannabis was most frequently illicitly exported to Minnesota, Florida, Wisconsin, Missouri, Virginia, Illinois, Arkansas, Iowa, Maryland, and Texas. By aggregate volume of exported cannabis, however, the states of Virginia, Ohio, Wisconsin, New York, Missouri, Florida, New Jersey, Texas, and Illinois were the most common destinations. The majority of illicitly exported Oregon cannabis was linked to Jackson, Multnomah, Josephine, Lane, Deschutes, and Washington counties. SUVs are more commonly used in the trafficking of Oregon cannabis than passenger cars. In-bound monetary seizures determined to be related to the out-of-state distribution of Oregon cannabis have aggregated to nearly \$1.7 million from July 2017 through March 2018 at the Port of Portland International Airport. In the same period of time, \$861k worth of cannabis products were interdicted during attempted exportation at the Port of Portland International Airport. Among in-bound monetary seizures, the largest amounts originated from Chicago Illinois, Dallas Fort-Worth Texas, Atlanta Georgia, Phoenix Arizona, and Los Angeles California – over \$718k was seized from Chicago and Dallas alone. As of 2018, Oregon cannabis products were found on multiple public internet markets (Online Classifieds), and clandestine marketplaces online. The most commonly used digital currencies accepted by vendors of Oregon cannabis on clandestine marketplaces were Bitcoin, Bitcoin Cash, Ethereum, Monero, and Litecoin. Financial analysis of statewide regulatory reporting by financial institutions from Q-3 2017 indicates that 22.72% of all reported suspicious activity was cannabis-related.

Consumption Essential Elements of Information - On Pages 40 and 41

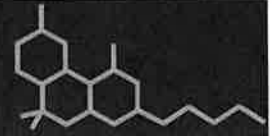
Consumption

Between 2014 and 2016, statewide totals of Drug Recognition Expert (DRE)^v examinations that resulted in a cannabis impaired opinion – all of which were validated by toxicological result – increased 66.28%, coming to a total of 991 by 2016. From 2013 through 2015, among those of legal age to legally consume cannabis in the state, the majority of cannabis-related DRE examinees fell between the ages of 21 to 31 years-old. In the same period, however, roughly 20% of cannabis-related DRE examinees were under 21 years-old.

v. Drug Recognition Experts are police officers trained to recognize impairment in drivers under the influence of drugs other than, or in addition to, alcohol.

Section III: A Risk Based Socio-Economic Analysis

Section Summary



This section presents finished intelligence findings related to the production, distribution, and consumption of cannabis associated with Oregon through a socio-economic prism. This majority of the analysis is centered on verifiable information and accessible data from the period after July 2015 — when feasible.

Essential Elements of Information from Section

Production

- Oregon has an estimated annual production capacity that exceeds 911,000 kg (2 million lb) – far beyond the estimated annual consumption demands, which are between 84,400 to 169,000 kg (186,100 to 372,600 lb)
- In terms of value, Oregon’s estimated annual production capacity can yield roughly \$6.7 billion worth of cannabis (appraised internally).
- Following state-sanctioned cannabis legalization, Oregon had approximately 417,000 active cannabis users – of all ages – of varying usage frequency.
- In the current state-sanctioned market, there is roughly one for grow site for every 25 users.
- Between July 2015 and January 2018, the Oregon Burn Center spent \$9.6 million for initial inpatient care on cannabinoid extract burn victims.
- In the same period of time, law enforcement investigated 64 clandestine cannabinoid extraction laboratories (all were operating illegally), 21 of which (33%) resulted in explosion or fire.
- As a result of overproduction, impoverished counties that are heavily engaged in the cultivation of cannabis, such as Jackson, Josephine, and Lane, face a critical economic risk from collapsing cannabis prices.
- Cannabis production is resource intensive, on average a mature plant consumes 22.7 liters of water daily and a single kilogram of indoor finished flower requires 5.2 megawatt hours of electricity yearly, resulting in the release of 4.5 metric tons of carbon dioxide.
- Due to historic use and the exponential growth of cannabis cultivation, the Rogue River Basin in Southern Oregon is under acute hydrologic strain.

Distribution

- As of August 2018, there are 574 retailers and 126 wholesalers actively licensed by OLCC, with an additional 352 retailers and 223 wholesalers applications awaiting agency review.
- Currently in Oregon, analysis indicates that there are higher concentrations of state-sanctioned cannabis distributors in lower-income communities and historically disenfranchised areas – a potentially temporary trend.

Essential Elements of Information Continued

- Distribution
- The highest concentrations of recreational cannabis retailers are found in Multnomah, Lane, Marion, and Jackson Counties.
 - Coinciding with the exponential growth of state-sanctioned cannabis markets, there has been an aggressive expansion of sub-sector digital currencies tailored for cannabis services.
 - In Q-3 of 2017 alone, at least \$88 million related to the distribution of cannabis was routed through financial institutions in Oregon.

- Consumption
- Among the roughly 417,000 cannabis users in Oregon, approximately 128,000 are multiple daily users.
 - The single largest portion of cannabis users are between the ages of 25 and 44 (roughly 164,000 individuals); accounting for approximately 38,400 kg (84,600 lb) in annual consumption.
 - Statewide, cannabis users consume an estimated 84,000 to 169,000 kg (186,100 to 372,600 lb) annually - observations from OLCC fall within this range - a market valued at up to \$1.3 billion in annual sales.
 - As of July 2018, according to figures published from the Oregon Department of Revenue, the state has collected \$173.1 million cumulatively in the last three fiscal years from “marijuana taxes.”
 - A glut of cannabis stockpiles stemming from overproduction has caused a 50% annual price drop since 2016.
 - Epidemiological research indicates that cannabis consumption is higher among medical users, who are exempt from excise taxation.
 - As of 2018, only 31% of available cannabis inventory was distributed, leaving 69% unconsumed within the state-sanctioned recreational system.

Analysis of Cannabis Production in Oregon

Oregon continues to be a source of high-grade cannabis, producing more than the state-sanctioned internal market can consume. Although there is no singular source for direct information on Total State Production (TSP) - both legal and illegal - OR-ID HIDTA reviewed and analyzed a mixture of indirect indicators to form a logical estimate. Sources included publicly available information from the Oregon Liquor Control Commission (OLCC) and registrant data from the Oregon Medical Marijuana Program (OMMP), in addition to Law Enforcement Sensitive (LES) data on illicit grow sites. The culmination of these distinct sources resulted in a probable estimate of annual TSP for 2016 and 2017. Using this model, Oregon can produce up to 911,500 kg (approx. 2 million lb) of cannabis annually.¹⁻⁹ (See Figure 1) Figures furnished by OLCC fall within the estimated range, showing 498,952 kg (approx. 1 million lb) of available inventory of “usable marijuana.”¹⁰ The value of Oregon’s annual TSP rests at roughly \$6.7 billion at current average end-user prices in Oregon - calculated at the time of the writing.^{11, 12} (See Technical Appendix Section III)

A static snapshot of information reported by OLCC from August 2018 indicates that there are 1,073 active licensed cannabis producers, with 1,282 pending applications awaiting agency review.¹³ On May 30, 2018, OLCC announced that applications received after June 15, 2018 would be delayed in order to process recreational license renewals and previously submitted recreational license applications.¹⁴ Additionally, data from July 2018 indicates that there are 15,933 grow sites registered with OMMP - down from 20,025 in January 2018.¹⁵ Current

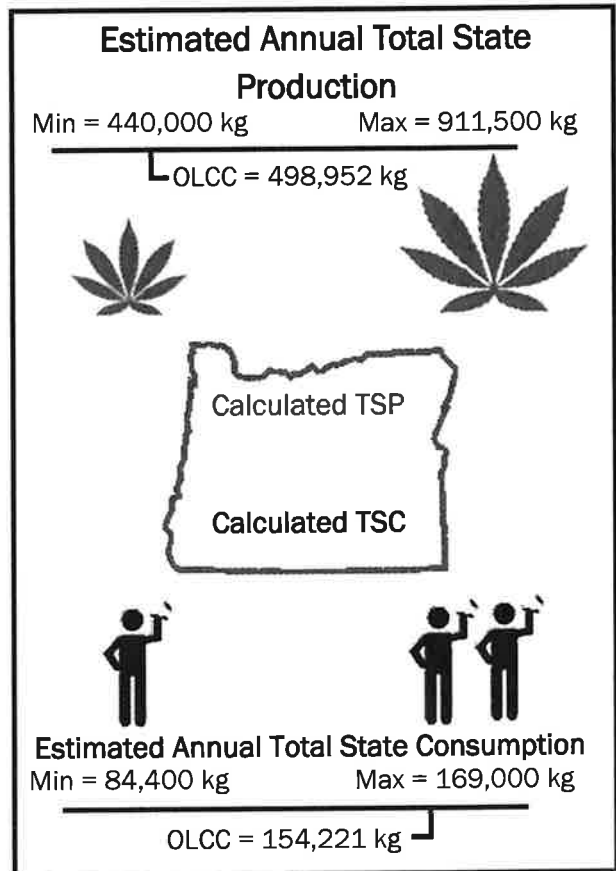


Figure 1: Comparison of Estimated Annual TSP and Estimated Annual TSC - See Technical Appendix for More Information; Includes Reported Observed Available Inventory and Distribution from 2018 OLCC Audit

1. Statistical Report. Accessed June 15, 2017. https://www.dea.gov/ops/cannabis_2015.pdf.
 2. Crawford, Seth S. 2014. "Estimating the Quasi-Underground: Oregon's Informal Marijuana Economy." *Humboldt Journal of Social Relations* (36): 131.
 3. Selsky, Andrew. 2018. "Tons of Legal Marijuana Leave Regulators Awash in Data." *The Washington Post*. April 26. Accessed April 26, 2018. https://www.washingtonpost.com/business/technology/oregon-marijuana-lots-of-data-few-to-analyze-and-check-it/2018/04/26/e98eaf12-491f-11e8-8082-105a446d19b8_story.html?noredirect=on&utm_term=.1c7841fbd2c.
 4. Oregon Liquor Control Commission. 2016. "Dispensary Survey Results: A Snapshot of Current Practices and Conditions." Accessed September 21, 2016. http://www.oregon.gov/olcc/docs/commission_minutes/2015/DispensarySurveyResults.pdf.
 5. Oregon Liquor Control Commission. 2018. "Oregon.gov." *Marijuana License Applications*. June 29, 2017. http://www.oregon.gov/olcc/marijuana/Documents/mj_app_stats_by_county.pdf (accessed January 30, 2018).
 6. Escondido, Nico. 2015. Nico's Nuggets: Plant Yields, Seeds and More. December 4. Accessed August 31, 2017. <http://hightimes.com/grow/nicos-nuggets-plant-yields-seeds-more/>.
 7. Caulkins, Jonathan P. Estimated Cost of Production for Legalized Cannabis. Working Paper, RAND, 2010, Pg. 10.
 8. Gettman, Jon. "Marijuana Production in the United States 2006." Drug Science Organization. 2006. <http://www.drugscience.org/Archive/bcr2/estproc.html> (accessed September 5, 2017).
 9. Oregon Health Authority. "The Oregon Medical Marijuana Program Statistical Snapshot [Series 2016—2018]." *Oregon Health Authority Medical Marijuana Program*.
 10. Oregon Liquor Control Commission. 2018. "Data Extracted from the Metre Cannabis Tracking System." *OLCC*, May 1.
 11. Drug Enforcement Administration. 2017. *El Paso Intelligence Center*. Accessed August 20, 2017. <https://www.dea.gov/ops/intel.shtml#EPIC>.
 12. Price of Weed. 2018. "Price of Weed, a Global Price Index for Marijuana." *Price of Weed*. January 5. <http://www.priceofweed.com/>.
 13. Oregon Liquor Control Commission. 2018. "Oregon.gov." *Marijuana License Applications*. August 1, 2018. http://www.oregon.gov/olcc/marijuana/Documents/mj_app_stats_by_county.pdf (accessed August 6, 2018).
 14. "News Release." *OLCC*. May 30. Accessed August 6, 2018. https://www.oregon.gov/olcc/docs/news/news_releases/2018/Application_temp_stop_final.pdf.
 15. Oregon Health Authority. "The Oregon Medical Marijuana Program Statistical Snapshot July 2018." *Oregon Health Authority Medical Marijuana Program*. Accessed August 6, 2018.

comprehensive data is not available on illicit cannabis grow sites as Oregon chose not to apply for funding from the Drug Enforcement Administration's Domestic Cannabis Eradication and Suppression Program (DCE/SP). Nevertheless, as recently as 2016 over 26,000 plants were removed from 18 sites on public land across the state.¹⁶ A mixed-methods analysis of self-reported user rates from the Oregon Behavioral Risk Factor Surveillance System (Oregon BRFSS) Oregon Health Authority (OHA), National Survey on Drug Use and Health (NSDUH), and Oregon Student Wellness Survey (OSWS), indicates that there are some 417,000 cannabis users in Oregon of varying frequency - consistent with 10% of the state population estimates from 2017.¹⁷⁻¹⁹ This information means that the ratio of state-sanctioned grow sites to users has changed from one to 19 in early 2018 to roughly one grow site for every 25 users in August 2018. (See Figure 2)

As a commodity, the raw value of Oregon's cannabis production exceeds that of any other agricultural commodity produced.^{20, 21} Yet, there is a scarcity of precise information on employment rates involved in cannabis production. The totality of cannabis production in Oregon is opaque and crosses regulatory boundaries, extending into the so-called "informal marijuana economy."^{22, 23} According to information from the Oregon Governor's Cannabis Policy Advisor, as of June 2017 there were over 12,394 OLCC "worker permits" issued with wages anticipated to exceed \$315 million annually before taxes and benefits - assuming consistent employment and uniform wage distribution.²⁴ Another estimate from former State Economist Beau Whitney places average hourly wages in Oregon's "cannabis sector" at \$12.13 hourly on the retail side.²⁵



Figure 2: Ratio of Cannabis Grow Sites in Oregon Q-3 2018, Calculated Using Health Survey Data and State Reported Statistics from OMMMP and OLCC¹⁶⁻¹⁸, and²⁶ and Average Annual Per-Plant Yield - See Technical Appendix on Yield

16. Drug Enforcement Administration. 2015. 2015 Domestic Cannabis Eradication/Suppression Program Statistical Report. Accessed July 21, 2016. https://www.dea.gov/ops/cannabis_2015.pdf

17. Dilley, Ph.D., M.E.S., Julia, Caislin Firth, M.P.H., Erik Everson, M.P.H., and Julie Maher, Ph.D. 2016. "Marijuana use, attitudes and health effects in Oregon." Marijuana Report (Oregon Health Authority - Oregon Public Health Division) 22. <https://apps.state.or.us/Forms/Served/1e8509b.pdf>

18. Oregon Health Authority. 2016. 2016 Oregon Student Wellness Survey. *Annual Public Health Survey Results, Portland: Oregon Health Authority*

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21. Oregon Department of Agriculture. 2016. "Oregon Agriculture Facts & Figures ." United States Department of Agriculture - National Agricultural Statistics Service. August. Accessed February 8, 2017. https://www.nass.usda.gov/Statistics_by_State/Oregon/Publications/facts_and_figures/facts_and_figures.pdf

22. Crawford, Seth S. 2014. "Estimating the Quasi-Underground: Oregon's Informal Marijuana Economy." *Humboldt Journal of Social Relations* (36)

23. The Associated Press. 2018. "Oregon Officials Struggle to ID which Cannabis Grows Are Legal." *Leafly*. February 21. Accessed March 8, 2018. <https://www.leafly.com/news/politics/oregon-officials-struggle-to-id-which-cannabis-grows-are-legal>

24. Rhoades, Jeff. 2017. "Oregon Marijuana Regulation." *Office of Oregon Governor Kate Brown*. June 9. Accessed August 8, 2018. https://drive.google.com/file/d/0BzMvBq_LbaUUbFpselFHTUxzMjA/view

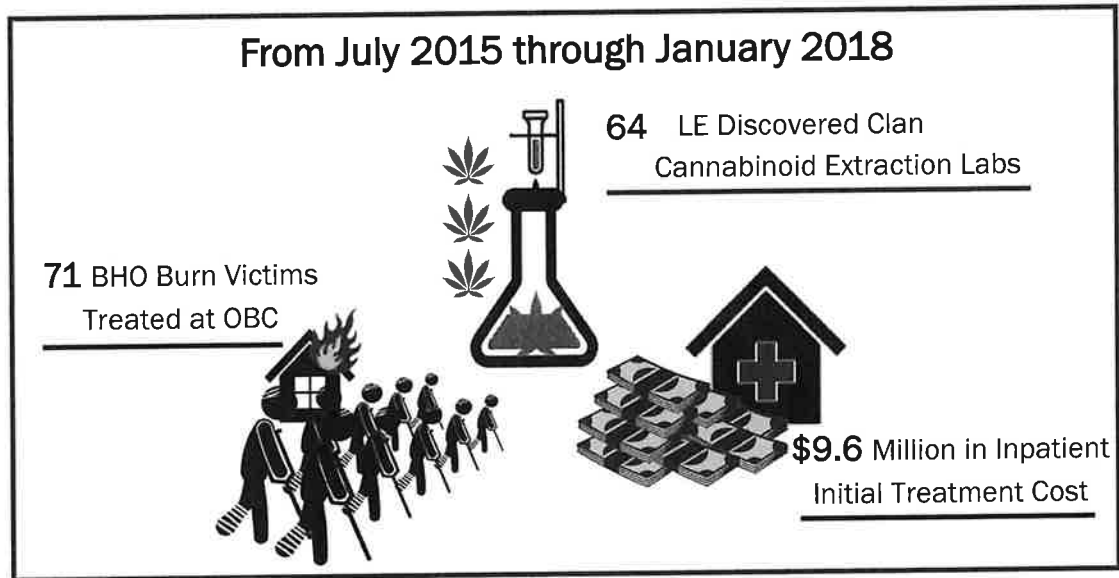
25. Ibid

The distribution of OLCC and OMMP grow sites spans the state, with clustering around the Portland Metro Area and several of the most poverty stricken counties.^{26–28} The most recent data from the United States Census Bureau indicates that Oregon has a median household income of \$53,270 and a per capita income in the last 12 months of \$28,822, with 13.3% of Oregonians living in poverty.²⁹ The risk of price collapse within the state’s cannabis market is a particularly acute hazard in counties such as Jackson, Josephine, and Lane, where median household incomes fall between \$38,000 and \$45,000 and unemployment rates range from 6.0% to 7.8%.^{30, 31} Josephine County was identified by the Oregon Secretary of State (OR SOS) as being particularly vulnerable to financial distress and has the second highest number of total grow sites (OMMP and OLCC) of any county in the state.

Adam Koh, of Cannabis Benchmarks, highlighted some potential causes driving cannabis prices to hit rock-bottom in Oregon, including a lack of production limits, relative absence of vertical integration, and market overproduction.³⁴ Meanwhile, a tangible cost derived from cannabis production in Oregon arises from the illicit manufacture of cannabis concentrates - butane hash oils (BHO). Open source and law enforcement reporting indicate that there are many methods for producing cannabinoid extracts and concentrates. The most common technique, however, employs the highly combustible solvent butane.³⁵ From July 2015 through January 2018, there were 64 clandestine cannabis concentrate labs discovered by law enforcement personnel.³⁶ (See Figure 3) In the same period, the Legacy Emmanuel Oregon Burn Center provided treatment to 71 BHO burn victims - costing upwards of \$9.6 million.³⁷ (See Figure 3)

31—33

Figure 3: Total Number of Burn Victims Resulting from the Manufacture of BHO and Associated Cost of Initial Acute Care in Oregon From July 2015 through January 2018 - See Technical Appendix for Analytic Procedures. Total Clandestine Cannabinoid Extraction Labs Found in Oregon as Reported to El Paseo Intelligence Center (EPIC) for July 2015 through January 2018.



26. Oregon Liquor Control Commission. 2018. "Oregon.gov." *Marijuana License Applications*. June 29, 2017. http://www.oregon.gov/olcc/marijuana/Documents/mj_app_stats_by_county.pdf (accessed January 30, 2018).

27. Oregon Health Authority. "The Oregon Medical Marijuana Program Statistical Snapshot [Series]." *Oregon Health Authority Medical Marijuana Program*. Accessed January 3, 2018.

28. United States Census Bureau. 2015. United States QuickFacts. July 1. Accessed August 23, 2016. <https://www.census.gov/quickfacts/map/PST045215/00>.

29. Ibid

30. Ibid

31. Atkins, Jeanne P, and Mary Wenger. 2016. *Oregon Counties: 2016 Financial Condition Review*. Audit Report, Salem, Oregon: Oregon Secretary of State.

32. Oregon Liquor Control Commission. 2018. "Oregon.gov." *Marijuana License Applications*. June 29, 2017. http://www.oregon.gov/olcc/marijuana/Documents/mj_app_stats_by_county.pdf (accessed January 30, 2018).

33. Oregon Health Authority. "The Oregon Medical Marijuana Program Statistical Snapshot [Series]." *Oregon Health Authority Medical Marijuana Program*. Accessed January 3, 2018.

34. Kennedy, Bruce. 2018. "Wholesale Cannabis Prices Tumbled in 2017 - And They Have Yet to Hit Rock Bottom." *The Cannabist*. March 8. Accessed March 10, 2018. <https://www.thecannabist.co/2018/03/08/marijuana-prices-2017-cannabis-benchmarks/100103/>.

35. Drug Enforcement Administration. 2016. 2016 National Drug Threat Assessment Summary. Annual Threat Assessment, U.S. Department of Justice - DEA: 119.

36. Drug Enforcement Administration. 2017. El Paso Intelligence Center. Accessed August 20, 2017. <https://www.dea.gov/ops/intel.shtml#EPIC>

37. Legacy Emmanuel Oregon Burn Center. 2013-2017. "BHO Burn Victims." *Legacy Emmanuel Oregon Burn Center*. Accessed 2016 and 2018

Cannabis production requires the use of finite natural resources, affecting the economic sustainability of unrestrained cannabis cultivation in the state.³⁸⁻⁴⁰ According to research published in the Journal of Environmental Science and Technology, cannabis cultivation consumes 5.2 MWh/y/kg of electricity and produces roughly 4.6 metric ton of CO₂/kg of product.⁴¹ (See Figure 4) The researchers highlight the fact that no significant studies have been conducted on which to base assessments of the probable consequences of large-scale cannabis production, leaving information gaps on the potential impacts of this industry on indoor and outdoor air quality from highly reactive organic compounds.⁴² Nationally,

it has been estimated that cannabis cultivation facilities account for a power density equivalent to that of data centers and that illicit grow operations account for 1% of the U.S. average energy usage.⁴³ Even in terms of water consumption, definitive information varies about the water needs of cannabis cultivation with estimates ranging widely from 1 to 15 gallons daily.⁴⁴ According to research published by Scott Bauer, however, a mature cannabis plant can consume upwards of 22.7 liters of water per-day during the growing season – grape vines tend to use 12.64 liters of water per-day by comparison.⁴⁵ (See Figure 4)

Although total environmental impact is a concern, the risk of water consumption and resource strain is acutely

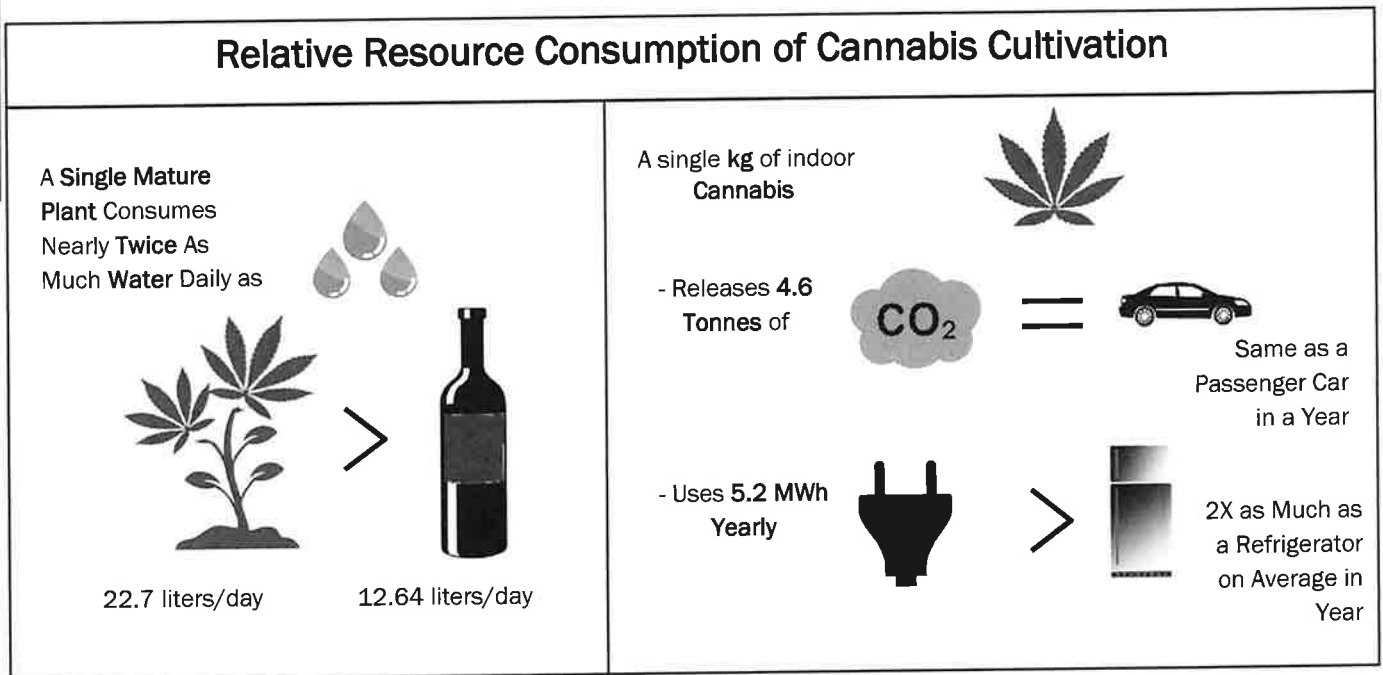
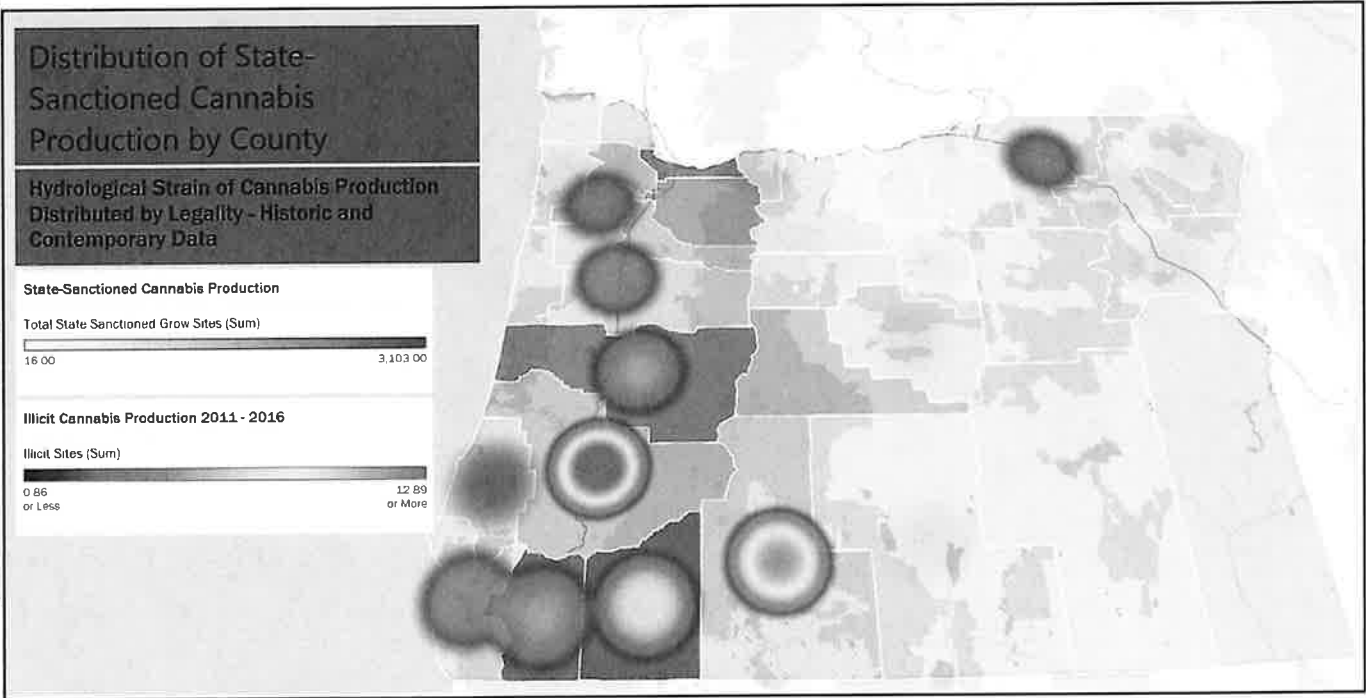


Figure 4: The resource requirements of cannabis production; comparative data on carbon dioxide from EPA and energy consumption from EnergyStar^{46, 47}

38. Butsic, Van, and Jacob C Brenner. 2016. *Cannabis (Cannabis Sativa or C. Indica) Agriculture and the Environment: A Systematic, Spatially-Explicit Survey and Potential Impacts*. Environmental Impact Summary, IOP Science: 1-2.
 39. United States. Environmental Protection Agency. 1997. *The Economics of Sustainability*. Distance Learning Module, Washington D.C.: U.S. EPA.
 40. Harkinson, Josh, Brett Brownell, and Julia Lurie. "24 Mind-Blowing Facts About Marijuana Production in America." *Mother Jones*. March/April 2014. <http://www.motherjones.com/environment/2014/03/marijuana-pot-weed-statistics-climate-change> (accessed July 5, 2016).
 41. Ashworth, K, and W Vizuete. 2017. "High Time to Assess the Environmental Impacts of Cannabis Cultivation." *Environmental Science and Technology* 2531-2533.
 42. Ibid
 43. Ibid
 44. Bauer, Scott, Jennifer Olson, Adam Cockrill, Michael Van Hattem, Linda Miller, Margaret Tauzer, and Gordon Leppig. 2015. "Impacts of Surface Water Diversions for Marijuana Cultivation on Aquatic Habitat in Four Northwestern California Watersheds." PLoS One.
 45. Ibid
 46. United States Environmental Protection Agency. 2018. EPA - Green Vehicle Guide. March. Accessed July 4, 2018. <https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle>.
 47. EnergyStar. 2018. Energy Star Most Efficient 2018 - Medium, Large, and X-Large Refrigerators. Accessed July 4, 2018. <https://www.energystar.gov/most-efficient/me-certified-refrigerators>.

significant in areas of high-volume cannabis cultivation such as the Rogue River Basin. Research from the OR SOS found that there is scant reliable reporting and collection of water supply data - only 20% of water rights holders are subject to mandatory reporting of consumption to the Water Resource Department.⁵⁰ The SOS report also indicates that agriculture activities constitute an estimated 85% of water use in the state, but are not subject to required reporting of water use.⁵¹

Production



Map 1 Geographic Distribution of State-Sanctioned Cannabis Cultivation Sites 2018 and the Distribution of Illicit Cannabis Cultivation sites 2011 through 2016 Plotted for Analysis of Hydrological Demand. From 2011 through 2016, Illicit Cannabis Cultivation Consumed an Average of 442,200 Gallons of Water Daily - Worth 122 Olympic Swimming Pools

An additional aspect that merits consideration is the increasing corporatization and market consolidation of cannabis production in the state, which may affect the boom in tax revenue.⁵² In an interview with GQ, molecular and evolutionary biologist Mowgli Holmes emphasized the activity of BioTech Institute LLC, which has been hurriedly registering highly restrictive utility patents on the cannabis plant.⁵³⁻⁵⁵ The State's policy toward cannabis lacks economic protectionism for native companies in Oregon and has made it possible for large out-of-state cannabis conglomerates to overrun local growers.⁵⁶ The combination of patent-trolling and corporatization could dramatically change the market landscape in the near future - potentially disrupting state tax revenue and impeding the long-term sustainability of small companies in Oregon.

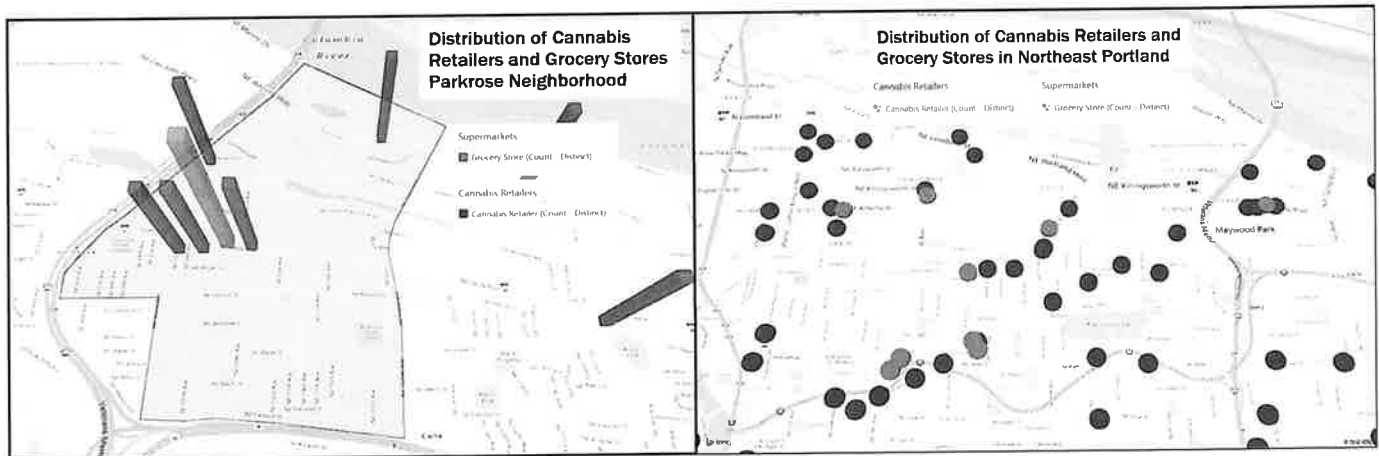
48.Mann, Damian. 2016. "Officials Worry Water Will Go to Pot." *Mail Tribune*. December 19. Accessed December 26, 2016. <http://www.mailtribune.com/news/20161219/officials-worry-water-will-go-to-pot>.
 49.Drug Enforcement Administration (DEA). 2016. "Oregon Domestic Cannabis Eradication and Suppression Program (DCE/SP)." *Reported Statistics 2011 to 2016*. DEA. Accessed November 18, 2016. <https://www.dea.gov/ops/cannabis.shtml>.
 50.Atkins, Jeanne P, and Mary Wenger. 2016. Oregon Water Resources Department: *Enhancing Sustainability Efforts and Agency Planning Needed to Better Address Oregon's Water Supply Needs*. Audit, Salem: Oregon Secretary of State.
 51.Ibid
 52.Kaplan, Jennifer. 2018. "Canadian Company Seeks to be the Starbucks of American Marijuana." *The Cannabist*. March 27. Accessed 30 March, 2018. <https://www.thecannabist.co/2018/03/27/canada-marijuana-golden-leaf-starbucks/102501/>.
 53.Janis, Mark D. 2001. "Sustainable Agriculture, Patent Rights, and Plant Innovation." *Indiana Journal of Global Legal Studies* 91-117.
 54.Chicago Lewis, Amanda. 2017. "The Great Pot Monopoly Mystery." *GQ*. August 23. Accessed August 24, 2017. <https://www.gq.com/story/the-great-pot-monopoly-mystery>
 55.Korfhage, Matthew. 2017. "Portland Companies are Fighting a Secret Plot to Monopolize Cannabis." *The Portlander - Willamette Week*. December 20. Accessed December 26, 2017. <http://www.wweek.com/cannabis/2017/12/20/portland-companies-are-fighting-a-secret-plot-to-take-over-all-of-cannabis/>.
 56.Schaneman, Bart. 2018. "'Decimated' by Oversupply, Oregon Wholesale Prices for Outdoor-Grown Trim, Flower for Oil Drop to \$50 a Pound." *Marijuana Business Daily*. January 31. Accessed February 9, 2018. <https://mjbizdaily.com/decimated-oversupply-oregons-wholesale-marijuana-prices-drop-50-pound/>.

Analysis of Cannabis Distribution Related to Oregon

As of August 2018, there are 574 retailers and 126 wholesalers actively licensed by OLCC, with an additional 352 retailers and 223 wholesalers applications awaiting agency review.⁵⁷ Meanwhile, according to data from July 2018, there are 15,592 “caregivers” registered with OMMP.⁵⁸ The highest concentrations of OLCC retailers are found in Multnomah, Lane, Marion, and Jackson Counties.⁵⁹ The social experiment of state-sanctioned cannabis legalization is disproportionately manifesting in communities of lower socio-economic status - a trend that has been characterized as temporary.^{60, 61} While this trend may be temporary, evidence indicates that there is a high concentration of cannabis retailers operating within communities of lower economic status, such as upper Northeast Portland. (See Map 2 & 3)⁶² The Portland neighborhood of Parkrose is an

instructive microcosm in this regard, where the majority of people live within “easy walking distance” of a cannabis retailer, but are over a mile away from a full-service supermarket.⁶² Considerable information gaps on the socio-economic composition of Oregon’s cannabis market remain. Thus, the micro-temporal analysis of cannabis retailer concentrations should be thoroughly studied, as there has been a concern voiced from within the cannabis market that the cannabis sector embodies disparity of opportunity.⁶³

Many businesses have developed a niche within the cannabis sector by facilitating access to financial services – vendor payment, payment processing, depository services, and digital tokens. OR-ID HIDTA surveyed commonly used sector-specific digital currencies and found that many offer services that allow retailers to circumvent banking regulations. PotCoin (POT), CannabisCoin (CANN), DopeCoin (DOPE),



Map 2 and Map 3 Distribution Recreational Cannabis Retailers and Full-Service Grocery Stores in Northeast Portland and Parkrose Neighborhood

57. Oregon Liquor Control Commission. 2018. "Oregon.gov." Marijuana License Applications. August 1, 2018. http://www.oregon.gov/olcc/marijuana/Documents/mj_app_stats_by_county.pdf (accessed August 6, 2018).

58. Oregon Health Authority. "The Oregon Medical Marijuana Program Statistical Snapshot July 2018." *Oregon Health Authority Medical Marijuana Program*. Accessed August 6, 2018

59. Oregon Liquor Control Commission. 2018. "Oregon.gov." Marijuana License Applications. August 1, 2018. http://www.oregon.gov/olcc/marijuana/Documents/mj_app_stats_by_county.pdf (accessed August 6, 2018).

60. McVey, Eli. 2017. "Chart: Recreational Marijuana Stores Are Clustered in Low-Income Areas of Denver, Seattle." *Marijuana Business Daily*. July 31. Accessed April 1, 2018. <https://mjbizdaily.com/chart-recreational-marijuana-stores-clustered-low-income-areas-denver-seattle/>.

61. Smith, Phillip. 2017. "Why Are Pot Shops Mainly in Poor Neighborhoods?" *The Daily Chronic*. August 9. Accessed August 11, 2017. <http://www.thedailychronic.net/2017/75557/pot-shops-mainly-poor-neighborhoods/>.

62. Diehl, Caleb. 2018. "In Some Portland Neighborhoods, It's Easier to Find Weed than Food." *Oregon Business*. February 2. Accessed April 3, 2018. <https://www.oregonbusiness.com/article/cannabis/item/18186-in-some-portland-neighborhoods-it-s-easier-to-find-weed-than-food>.

63. Jan, Tracy, and Fenit Nirappil. 2017. "Battling the Racial Roadblocks to Joining the Legalized Marijuana Trade." *The Washington Post*. June 2. Accessed October 22, 2017. https://www.washingtonpost.com/business/economy/battling-the-racial-roadblocks-to-joining-the-legalized-marijuana-trade/2017/06/02/7321de02-416f-11e7-9869-bac8b446820a_story.html?noredirect=on&utm_term=.5e06e822c506

HempCoin (THC), and CannaCoin (CCN) are among the most widely used.⁶⁴ (See Figure 5) These designer digital monies promise to reduce the cash-on-hand issue associated with commercial cannabis retailers. Yet, many of these digital currencies "...aren't well suited for consumer-end cannabis purchases..." due to the slow transaction time, high fees, and currency volatility.⁶⁵ The debit payment platform CanPay debuted services in cannabis dispensaries across Oregon in 2017, and links directly to a consumer's bank account – potentially reducing the risk of cash-intensive transactions and increasing financial data.⁶⁶ Information gaps exist on the extent of adoption of CanPay among retail cannabis centers in Oregon.

Yet as the normalization of cannabis transactions continues to grow, there is an emergence of potentially suspicious financial activity growing in parallel, bringing with it a wave of novel financial crimes. During the third quarter of 2017 alone, information acquired through regulatory reporting indicates that at least \$88 million related to cannabis retail sales was routed through financial institutions in the state.⁶⁷ In the same period, at least \$2.7 million of cannabis related activity was routed through depository institutions for financial services related to the cannabis sector in Oregon.⁶⁸ Revenue generated from cannabis distribution continues to be placed into the licit economy by a number of methods, some of which misrepresent the nature of the source of funds to secure full access to financial services.⁶⁹ Endemic financial crimes can destabilize local economies by eroding stability in the state-sanctioned legitimate cannabis sector.⁷⁰

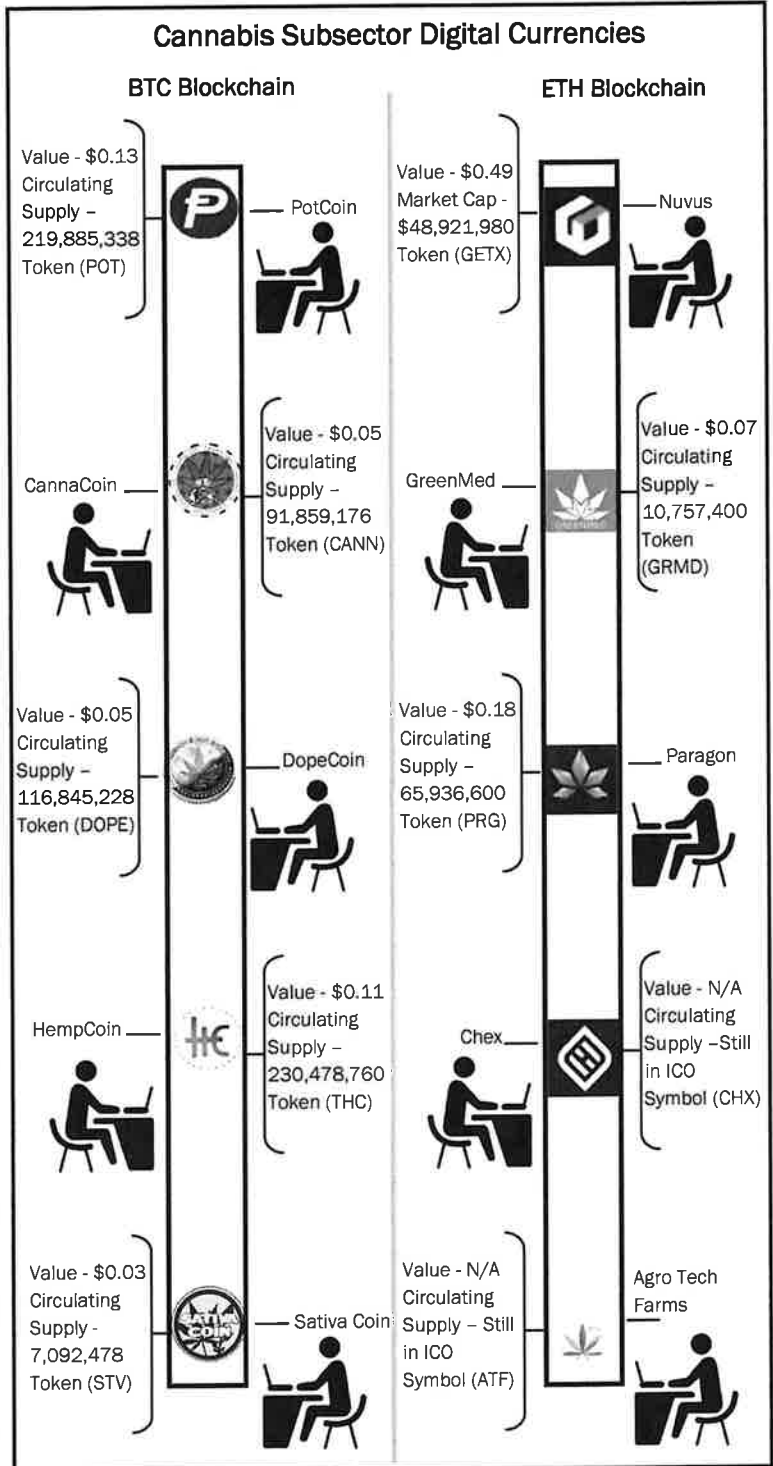


Figure 5: A Selection of Cannabis Subsector Digital Currencies Bases off BTC and ETH Blockchains; Values Retrieved from Online Databases of Digital Currencies, May 2018

64. Krishna, Mrinalini. 2018. "Top 5 Marijuana Cryptocurrencies."

Investopedia. April 20. Accessed April 21, 2018. <https://www.investopedia.com/news/top-marijuana-cryptocurrencies/>.

65. Stangel, Matt. 2018. "Oregon Grew More Cannabis Than Customers Can Smoke. Now Shops and Farmers Are Left with Mountains of Unwanted Bud."

Willamette Week. April 19. Accessed April 24, 2018. <http://www.wweek.com/news/2018/04/18/oregon-grew-more-cannabis-than-customers-can-smoke-now-shops-and-farmers-are-left-with-mountains-of-unwanted-bud/>.

66. Peterson, Susie. 2017. "Oregon Dispensaries Have a New Payment Solution." *Daily Marijuana Observer*. June 29. Accessed February 3, 2018. <https://www.dailymarijuanaobserver.com/single-post/2017/06/29/Oregon-Dispensaries-Get-a-Payment-Solution>

67. Department of the Treasury Financial Crimes Enforcement Network. 2018

68. Ibid

69. Ibid

70. McDowell, John, and Gary Novis. 2001. "The Consequences of Money Laundering and Financial Crime." *Economic Perspectives - An Electronic Journal of the U.S. Department of State* 6-8.

Financial crimes frequently use front companies to co-mingle funds and can offer products at unreasonably low prices compared to legitimate entities.⁷¹ Effectively, this crowds out law-abiding

entities – undermining the free market principles of legitimate business.⁷² Additionally, financial crimes can result in liquidity shortages at depository institutions, leading to destabilization.^{73, 74}

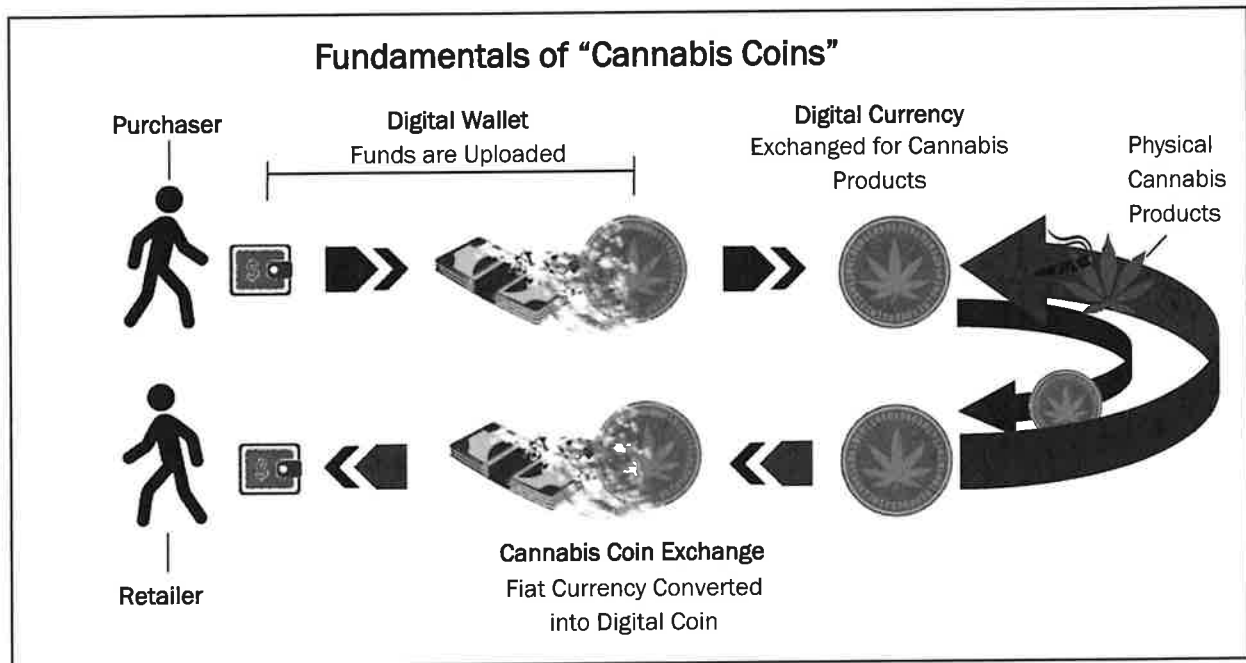


Figure 6: The Basic Exchange Cycle of a Cannabis Sector Digital Currency

Analysis of Cannabis Consumption in Oregon

OR-ID HIDTA arrived at an estimate of the domestic cannabis user population using a mixed-methods analysis of self-reported user rates from health surveys. According to these data sources, there are roughly 417,000 cannabis users in Oregon of varying frequency that account for internal demand.^{75, 76} The largest portion of users - ages 25 through 44 - are thought to annually consume roughly 38,400 kg (84,600 lb) of cannabis.⁷⁷⁻⁷⁹ In total, "active users" in the state

are estimated to annually consume between 84,000 kg to 169,000 kg (186,100 to 372,600 lb) of cannabis (representing TSC) - worth between \$623 million and \$1.3 billion in sales.^{80, 81} Recent price drops in cannabis, however, reveal a market volatility that could result in revenue reductions for businesses involved in the cannabis sector, and, consequently, state tax revenue. As of July 2018, according to figures published from the Oregon Department of Revenue, "marijuana taxes" have generated \$173.1 million

71. Quirk, Peter J. 1997. "Money Laundering: Muddying the Macroeconomy." *Finance and Development* 7-9

72. McDowell, John, and Gary Novis. 2001. "The Consequences of Money Laundering and Financial Crime." *Economic Perspectives - An Electronic Journal of the U.S. Department of State* 6-8

73. Ibid

74. Quirk, Peter J. 1997. "Money Laundering: Muddying the Macroeconomy." *Finance and Development* 7-9

75. United States Census Bureau. 2015. United States QuickFacts. July 1. Accessed August 23, 2016. <https://www.census.gov/quickfacts/map/PST045215/00>.

76. Dilley, Ph.D., M.E.S., Julia, Caislin Firth, M.P.H., Erik Everson, M.P.H., and Julie Maher, Ph.D. 2016. "Marijuana use, attitudes and health effects in Oregon." *Marijuana Report* (Oregon Health Authority - Oregon Public Health Division) 48. <https://public.health.oregon.gov/PreventionWellness/marijuana/Documents/oha-8509-marijuana-report.pdf>.

77. Ibid

78. Conrad, Chris. A Guide to the Production and Use of Medical Marijuana. Industry White Paper, El Sobrante: Safe Access Now, 2015.

79. Kilmer, Beau, and Greg Ridgeway. 2016. "Bayesian Inference for the Distribution of Grams of Marijuana in a Joint." *Drug and Alcohol Dependence* 175-180.

80. Drug Enforcement Administration. 2017. *El Paso Intelligence Center*. Accessed August 20, 2017. <https://www.dea.gov/ops/intel.shtml#EPIC>

81. Pirce of Weed. 2016. *Price of Weed, a Global Price Index for Marijuana*. Accessed April 5, 2016 - April 5, 2018. <http://www.priceofweed.com/>.

cumulatively in the last three fiscal years for the state.⁸² Recent articles point to a looming potential market decimation from oversupply, with state prices undergoing a 50% annualized price drop since 2016.⁸³

Approximately one quarter of total adult cannabis users - roughly 3% of the Oregon adult population - report using cannabis medicinally.^{84, 85} These roughly 124,000 consumers rank near the top of consumption rates and are tax exempt, leaving roughly 88% of active users as a taxable consumer base. (See Figure 7)^{86, 87} It is worth mentioning that immediately following legalization there was a

significant increase in consumption rates among current adult cannabis users, jumping from 29% in 2014 to 36% in 2015.⁸⁸ Data from a 2016 state survey supports this trend indicating that about 28% of adults self-reported more frequent cannabis use since legalization.⁸⁹ Yet, overall the percentage of Oregon adults who used cannabis did not change significantly between 2014 and 2015 - a possible indication of a limited consumer base in the state.⁸⁹ Direct information from within the state-sanctioned recreational system indicates that 2018 inventory stood at over 498,951 kg (1 million lb) of cannabis - enough for 113 grams for every Oregonian - of which only 154,221 kg (339,000 lb) was purchased from distributors.⁹⁰⁻⁹²

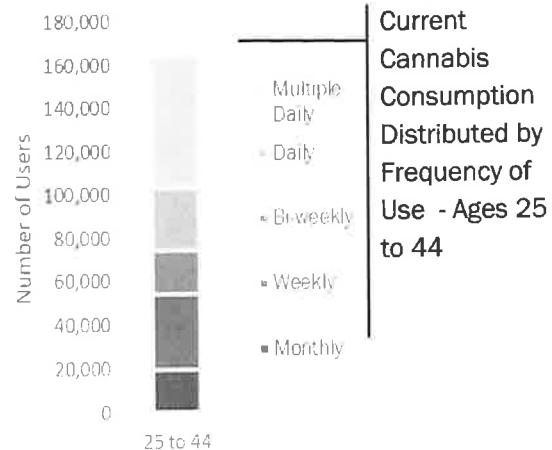
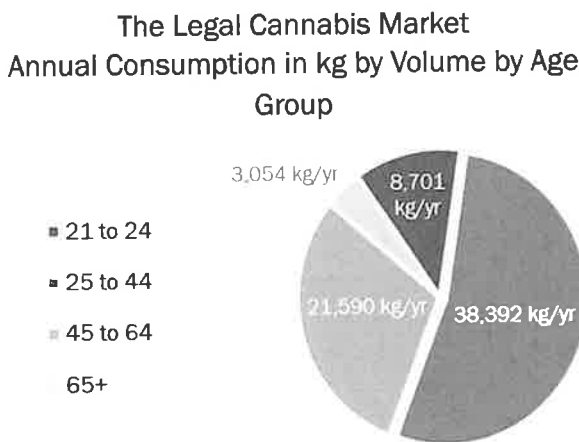


Figure 7: Annual Consumption Rate Distributed by Age Shown in Volume with Largest Portion Distributed by Use Frequency Shown in Population

82. Oregon Department of Revenue Research Section. 2018. "Oregon Marijuana Tax Statistics." *Oregon.gov*. July 20. Accessed July 22, 2018. <https://www.oregon.gov/DOR/programs/gov-research/Pages/research-marijuana.aspx>.

83. Schaneman, Bart. 2018. "'Decimated' by Oversupply, Oregon Wholesale Prices for Outdoor-Grown Trim, Flower for Oil Drop to \$50 a Pound." *Marijuana Business Daily*. January 31. Accessed February 9, 2018. <https://mjbizdaily.com/decimated-oversupply-oregon-wholesale-marijuana-prices-drop-50-pound/>.

84. Dilley, Ph.D., M.E.S., Julia, Caislin Firth, M.P.H., Erik Everson, M.P.H., and Julie Maher, Ph.D. 2016. "Marijuana use, attitudes and health effects in Oregon." *Marijuana Report* (Oregon Health Authority - Oregon Public Health Division) 48. <https://public.health.oregon.gov/PreventionWellness/marijuana/Documents/oha-8509-marijuana-report.pdf>.

85. Oregon Health Authority. "The Oregon Medical Marijuana Program Statistical Snapshot [Series]." Oregon Health Authority Medical Marijuana Program. Accessed January 3, 2018.

86. Oregon Department of Revenue. "Marijuana Tax Implementation Timeline." *Oregon.gov*. 2016. <http://www.oregon.gov/DOR/programs/businesses/Documents/marijuana-tax-timeline.pdf> (accessed June 30, 2016).

87. Dilley, Ph.D., M.E.S., Julia, Caislin Firth, M.P.H., Erik Everson, M.P.H., and Julie Maher, Ph.D. 2016. "Marijuana use, attitudes and health effects in Oregon." *Marijuana Report* (Oregon Health Authority - Oregon Public Health Division) 48. <https://public.health.oregon.gov/PreventionWellness/marijuana/Documents/oha-8509-marijuana-report.pdf>.

88. Ibid.

89. The Oregon Public Health Division. October 2016. "Prevention Panel Survey, Health Prevention & Chronic Disease Prevention Section." *Oregon Health Authority*.

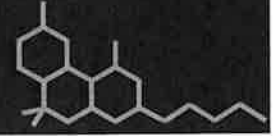
90. Dilley, Ph.D., M.E.S., Julia, Caislin Firth, M.P.H., Erik Everson, M.P.H., and Julie Maher, Ph.D. 2016. "Marijuana use, attitudes and health effects in Oregon." *Marijuana Report* (Oregon Health Authority - Oregon Public Health Division) 48. <https://public.health.oregon.gov/PreventionWellness/marijuana/Documents/oha-8509-marijuana-report.pdf>.

91. Stangel, Matt. 2018. "Oregon Grew More Cannabis Than Customers Can Smoke. Now Shops and Farmers Are Left with Mountains of Unwanted Bud." *Willamette Week*. April 19. Accessed April 24, 2018. <http://www.wweek.com/news/2018/04/18/oregon-grew-more-cannabis-than-customers-can-smoke-now-shops-and-farmers-are-left-with-mountains-of-unwanted-bud/>.

92. Selsky, Andrew. 2018. "Tons of Legal Marijuana Leave Regulators Awash in Data." *The Washington Post*. April 26. Accessed April 26, 2018.

Section IV: A Risk Based Public Health Analysis

Section Summary



This section presents finished intelligence findings related to the production, distribution, and consumption of cannabis associated with Oregon through a public health prism. This majority of the analysis is centered on verifiable information and accessible data from the period after July 2015 — when feasible.

Essential Elements of Information from this Section

- Production
- Between July 2015 and January 2018, the Oregon Burn Center provided inpatient initial care to 71 burn victims as a result of cannabinoid extract production, at least one of whom died.
 - Medical staff at the Oregon Burn Center noticed a seasonal increase of cannabinoid extract burn victims during winter months – hypothesized to be a result of decreased air circulation and potentially increased post-harvest processing.
 - A discernable public health risk is emerging among cannabis testing laboratories from a trade-off between accuracy and expense; reduced cost gives reduced accuracy.

- Distribution
- In 2016 and 2017, 54.8% of adult Oregonians reported exposure to cannabis advertising in the last 30 days, while only 29% of them reported having seen information about the health risks of cannabis use.
 - As of 2017, 37.2% of 8th graders and 49.5% of 11th graders in Oregon reported exposure to online cannabis advertising in the last 30 days.
 - Currently, Oregon allows cannabis advertising on media platforms where less than 30% of viewership is underage, which is twice the threshold recommended by experts in prevention and reduction.
 - It is unclear how audiences are identified or what entity carries the responsibility for ensuring cannabis advertising is permissible on a given media platform.
 - By 2016, cannabis was reported as easier to access than cigarettes among 11th graders in Oregon.

- Consumption
- Following state-sanctioned legalization, in 2016, 11% of current adult cannabis users self-reported less frequent use, while 64% self-reported comparable use, and 25% self-reported more frequent use.
 - As of 2017, 6.7% of 8th graders and 20.9% of 11th graders self-reported cannabis use in the last 30 days, a slight decrease from 2016.
 - Perception of risk from weekly cannabis use among both 8th and 11th graders decreased between 2014 and 2016, though the change was not statistically significant.

Essential Elements of Information Continued

Consumption

- By 2017, nearly one in five 8th and 11th graders reported living in a household with an adult who uses cannabis.
- Between October 2015 and October 2016, the rate of cannabis-related emergency department visits increased 85% from 3.4 per 1000 to 6.3 per 1000 .
- Cannabis-related calls to the Oregon Poison Control Center rose from 103 in 2014 to 348 by 2016; tachycardia (rapid heartbeat) was the most commonly reported clinical effect.
- Among impaired driving fatalities, analysis of toxicology results from 2010 through 2015 indicates that an average of 5% of drivers involved in traffic fatalities were THC positive.
- Yet, in the same period, only 38% of traffic fatalities were subject to a toxicology screening.
- Additional traffic fatality data indicates that there was a 50% increase in motor-vehicle involved pedestrian fatalities between 2013 and 2016.

Analysis of Cannabis Production in Oregon

Production

There remains a limited amount of verifiable information on the ways by which cannabis production affects public health in Oregon – making a comprehensive understanding difficult. At the time of this writing, OR-ID HIDTA reviewed readily available public health information in an attempt to identify knowledge gaps and critical areas for research. From this effort, OR-ID HIDTA determined that the majority of verifiable information comes from acute care centers – namely trauma centers. In this regard, data furnished by the Oregon Burn Center (OBC) provides a verifiable, direct-link to cannabis production. Other sources such as emergency rooms and the Oregon Poison Control were consulted, but events documented by these facilities cannot be definitively attributed to cannabis production.

Reliable information obtained from the OBC indicates that the injuries sustained from producing cannabis extracts and concentrates

represent a tangible social cost from cannabis production in Oregon. According to data from the OBC, from July 2015 through January 2018 there were 71 inpatient hospitalizations from butane hash-oil production in Oregon treated by the Oregon Burn Center’s inpatient care – at least one of whom died.¹ (See Figure 8)² The majority of the victims were male and had an average age of 39 years-old, and 11 of the 71 patients tested positive for cocaine and methamphetamine.² The population had an average of severe burns over 13.70% of their body (known as Total Burn Surface Area) and spent 12 days in the hospital on average for initial acute care.³ Staff at the Oregon Burn Center identified a seasonal fluctuation – reflected in data – that spikes in the winter months (Q1 and Q4), suspected to be a result of decreased air circulation during the extraction processes using highly flammable butane.⁴ (See Figure 8)⁴ According to OBC staff, there are burn patients suspected to be involved in butane hash-oil extraction who are treated as outpatients, but, this data could not be evaluated in a timely manner. Therefore, the scope of this analysis does not include outpatients.

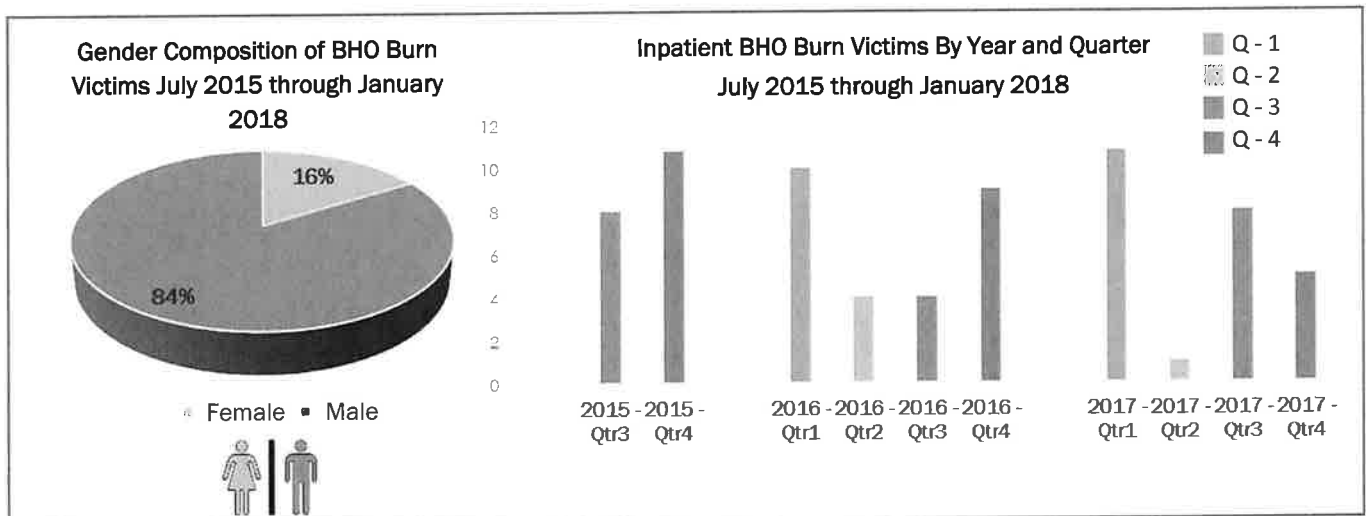


Figure 8: Distribution of BHO Burn Victims by Gender and Quarterly Rates

1. Legacy Emmanuel Oregon Burn Center. 2013-2017, "BHO Burn Victims." *Legacy Emmanuel Oregon Burn Center*. Accessed 2016 and 2018
 2. Ibid
 3. Ibid
 4. Ibid

Production

Distribution

The concern of contamination or adulteration during production poses a risk for those involved in cannabis manufacture as well as those who consume it.⁵ Additional direct-indicators of acute health concerns stemming from cannabis production could not be objectively verified at the time of this assessment, but, information was requested regarding pesticide use in cannabis production from the Oregon Department of Agriculture. Publicly available information indicates that as recently as March 2017, cannabis samples distributed through the state-sanctioned system contained pesticide residue that exceeded prescribed limits.⁶ Samples tested from this time failed for elevated levels of pyrethrin – a mix of organic compounds derived from chrysanthemum flowers – which is used in organic products but can be toxic to humans in high concentrations.⁷ There is currently no nationally accepted standard for product testing and there is a trade-off between accuracy and expense; testing labs are incentivized to provide affordable, favorable testing assessments for producers, resulting in less reliable results.⁸ Oregon’s testing laboratory structure lacks meaningful oversight and the testing of secondary cannabis products – extracts, concentrates – makes it harder for the user to distinguish fact from fiction in the purported testing results.⁹ Even testing for THC content is inconsistent, as there is not uniform distribution through a cannabis flower and the batch can be a

blend.^{10, 11} Limited information was made available from state agencies regarding pesticide testing results for cannabis in Oregon, leaving information gaps. The concern of production contamination or adulteration remains a risk for those involved in cannabis production as well as those who consume it – especially those who are immunocompromised.

Analysis of Cannabis Distribution Related to Oregon

There is a scarcity of comprehensive information related to the influence of cannabis distribution on public health in Oregon. In this arena, research published in the American Journal of Public Health provides some reliable insight into public exposures to cannabis advertising. Researchers found limited exposure among adult Oregonians about health risks associated with cannabis use, with roughly five times more daily exposure to advertising for cannabis than health risk messaging.¹² According to the American Public Health Association, restrictions on cannabis advertising can have profound health effects by mitigating harmful behavior in an era of increased availability.¹³ Oregon allows for cannabis advertising on media platforms where less than 30% of the audience is younger than 21 years old – twice the threshold recommended by peer-reviewed research on prevention and reduction.^{14, 15} Rules on cannabis advertising prohibit the use of advertising that is attractive to minors, promotes excessive use, promotes

5.Jikomes, Nick, and Michael Zoorob. 2018. "How Will You Know If There's E.Coli in Your Marijuana? No One's Figured Out How to Test and Regulate It Yet." *The Washington Post*. March 19. Accessed March 20, 2018. https://www.washingtonpost.com/news/monkey-cage/wp/2018/03/19/how-will-you-know-if-theres-e-coli-in-that-marijuana-states-havent-figured-out-how-to-test-and-regulate-it-yet/?noredirect=on&utm_term=.6b50ec8ca02c.

6.The Associated Press. 2017. "Oregon Issues First Marijuana Recall over High Pesticide Levels." *The Cannabist*. March 21. Accessed April 1, 2017. <https://www.thecannabist.co/2017/03/21/oregon-marijuana-pesticide-recall-level/75920/>.

7.Ibid

8.Jikomes, Nick, and Michael Zoorob. 2018. "How Will You Know If There's E.Coli in Your Marijuana? No One's Figured Out How to Test and Regulate It Yet." *The Washington Post*, March 19. Accessed March 20, 2018.

9.Harris, Zach. 2017. "Inconsistencies in Oregon's Cannabis Testing Labs Are Causing Retail Confusion." *Merry Jane*. June 19. Accessed June 22, 2017. <https://merryjane.com/news/oregon-cannabis-testing-problems>.

10.Mesh, Aaron. 2015 - updated 2017. "Testing Trainwreck - Four Labs Return Very Different Potency Results from the same Marijuana Batch." *Willamette Week*. February 24. Accessed March 1, 2017. <http://www.wweek.com/portland/article-24133-testing-trainwreck.html>.

11.Ferrer, D.G. 2015. *Technical Report: Oregon Health Authority Process to Determine Which Types of Contaminants to Test for in Cannabis Products and Levels for Action*. Technical Report, Portland, Oregon: Oregon Health Authority.

12.Fiala, Steven C, Julia A Dilley, Caislin L Firth, and Julie E Maher. 2018. "Exposure to Marijuana Marketing After Legalization of Retail Sales: Oregonians' Experiences, 2015 - 2016." *American Journal of Public Health* 120 - 127.

13.American Public Health Association. 2014. "APHA." *Regulating Commercially Legalized Marijuana as a Public Health Priority*. November 18. Accessed April 9, 2018. <https://www.apha.org/policies-and-advocacy/public-health-policy-statements/policy-database/2015/01/23/10/17/regulating-commercially-legalized-marijuana-as-a-public-health-priority>.

14.Committee on Developing a Strategy to Reduce and Prevent Underage Drinking. 2004. *National Research Council and Institute of Medicine Reducing Underage Drinking: A Collective Responsibility*. White Paper, Washington D.C.: National Academies Press.

15.Oregon Liquor Control Commission. 2016. "ORS 475B.025." *OLCC*. Accessed April 6, 2018. http://www.oregon.gov/olcc/marijuana/Documents/Rules/ORAR_845_025_Division25_RecreationalMarijuanaRules.pdf.

Distribution

activity that is illicit under Oregon law, or presents a significant risk to public health and safety.¹⁶ Supplementary restrictions include provisions to limit deceptive marketing and false advertising.¹⁷ Yet, it is unclear how audiences are identified or which entity bears the responsibility of proof for ensuring cannabis advertising is permissible – resulting in deficient enforcement of Oregon’s advertising regulations.¹⁸

From a position of public health, the distribution of cannabis among certain populations is heavily related to the accessibility of the substance. According to the 2016 Oregon Student Wellness Survey, 8th graders report that cannabis has an ease of access comparable to that of cigarettes, while alcohol remains easier.^{19,20} Among 11th graders, cannabis was reported as being easier to access than cigarettes – with a moderate increase of access between 2014 and 2016 – and was comparable to that of alcohol.²¹ As of the fall of 2016, nearly half of adult Oregonians reported a cannabis retailer in their neighborhood and more than half reported seeing cannabis-related advertising in their community in the past month.²² (See Figure 9) Over 37% of 8th graders and 49% of 11th graders in Oregon schools report exposure to online cannabis advertising in the last 30 days.²³ (See Figure 9) Yet, only 29% of adult Oregonians report having seen information about the health risks of cannabis use.²⁴ The regulation of retail cannabis has been identified as a public health priority by the American Public Health Association, which has called on federal, state, and local government to limit advertising.²⁵

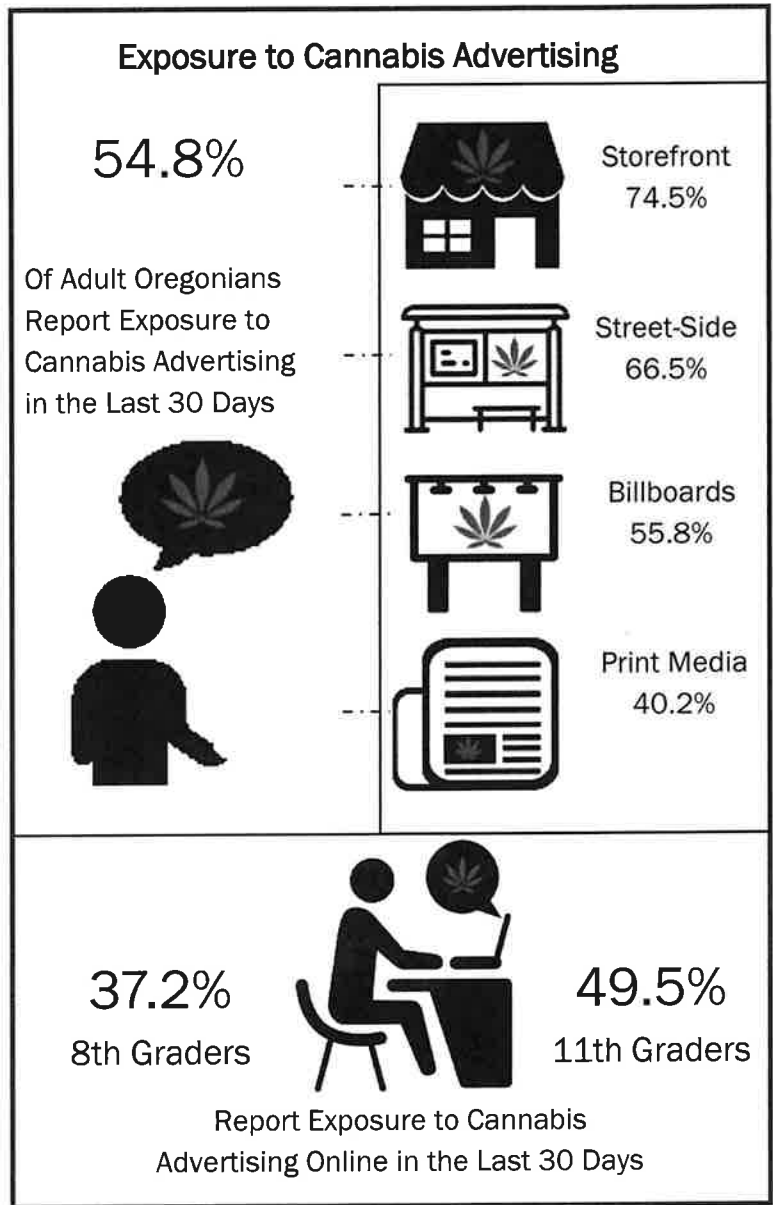


Figure 9: Most Common Means of Exposure to Cannabis Advertising and Selection of Oregon Adults, 8th, and 11th Graders

16.Ibid

17.Fiala, Steven C, Julia A Dilley, Caislin L Firth, and Julie E Maher. 2018. "Exposure to Marijuana Marketing After Legalization of Retail Sales: Oregonians' Experiences, 2015 - 2016." American Journal of Public Health 120 - 127.

18.Ibid

19.Oregon Health Authority. 2016. 2016 Oregon Student Wellness Survey. Annual Public Health Survey Results, Portland: Oregon Health Authority

20.Dilley Julia, Caislin Firth, Erik Everson, and Julie Maher. Marijuana report: Marijuana use, attitudes and health effects in Oregon. Public Health Impact Report, Portland: Oregon Public Health Division, Oregon Health Authority, 2016.

21.Ibid

22.Ibid

23.Oregon Health Authority. 2018. 2017 Oregon Healthy Teens Survey. Annual Survey Results, Portland, Oregon: Oregon Health Authority.

24.The Oregon Public Health Division. 2016. Prevention Panel Survey, Health Prevention & Chronic Disease Prevention Section. Annual Summary, Portland: OHA

25.American Public Health Association. 2014. "APHA." Regulating Commercially Legalized Marijuana as a Public Health Priority, November 18. Accessed April 9, 2018. <https://www.apha.org/policies-and-advocacy/public-health-policy-statements/policy-database/2015/01/23/10/17/regulating-commercially-legalized-marijuana-as-a-public-health-priority>.

State law established limiting the acquisition of cannabis by minors as a priority. Initial compliance testing from OLCC, however, found that several cannabis retailers sold product to minors.^{26, 27} Follow up testing found that many of the violators corrected deficiencies and passed subsequent inspections.²⁸ Analysis credits increased penalties as being the main deterrent against minors acquiring cannabis products from state-sanctioned retailers.^{29,30} A significant portion of younger users acquire cannabis through trade or purchase from local peer-to-peer distribution networks, according to reliable information obtained from the National Survey on Drug Use and Health (NSDUH).³¹ (See Figure 10)

Distribution

There are many proclaimed therapeutic applications for cannabis and cannabinoids, and meta-research from the National Academies of Sciences, Engineering, and Medicine indicates that there is substantive evidence for therapeutic treatment of chronic pain in adults, as well as nausea, and multiple sclerosis spasticity.^{32–34} Yet, there is insufficient evidence to support or refute the therapeutic value of cannabis for cancers, cancer-associated anorexia cachexia and anorexia nervosa, irritable bowel syndrome, epilepsy, spasticity from spinal cord injuries, chorea and certain neuropsychiatric symptoms associated with Huntington’s disease, motor system symptoms associated with Parkinson’s disease and levodopa-induced dyskinesia, dystonia, schizophrenia, or as a substitute for other addictive substances.³⁵

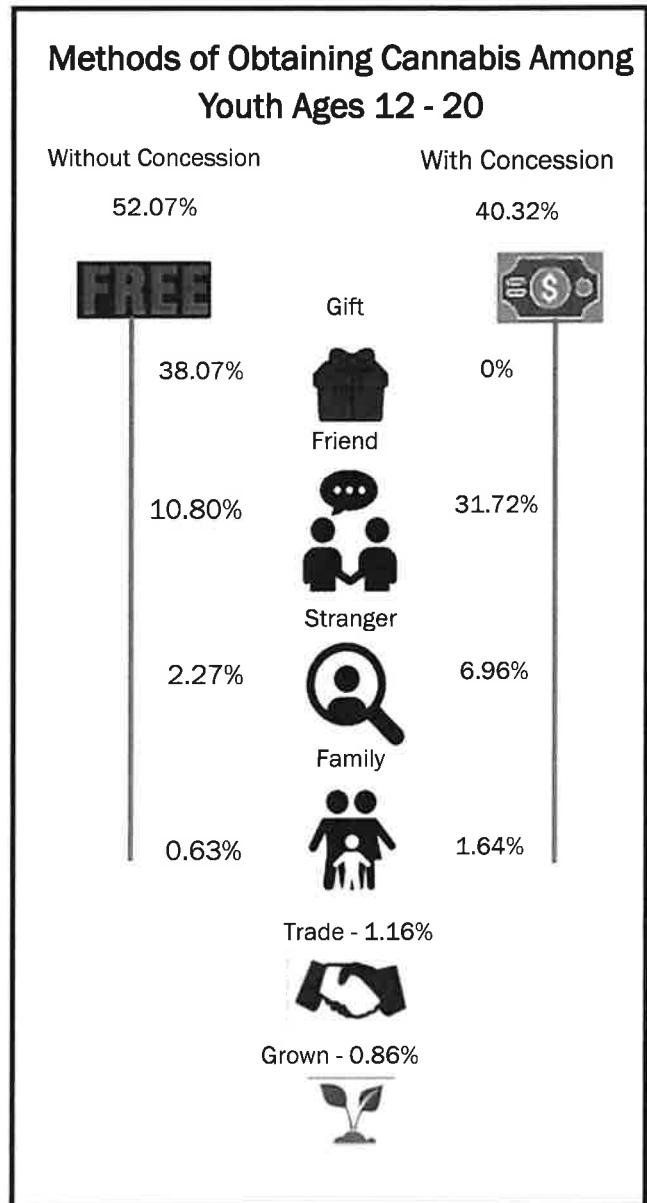


Figure 10: Sources and Methods of Acquiring Cannabis Nationally Among Ages 12-20, NSDUH

26. Bach, Jonathan. 2018. "Fewer Pot Retailers Caught Selling to Marijuana to Minors in Oregon Stings." *Statesman Journal*. February 22. Accessed April 15, 2018. <https://www.statesmanjournal.com/story/news/2018/02/22/fewer-pot-retailers-caught-selling-marijuana-minors-oregon-stings/365326002/>.

27. Mansur, Keith. 2018. "Oregon Dispensaries Improve Compliance on Minor Sales but Failures Still High." *Oregon Cannabis Connection*. February 22. Accessed April 15, 2018. <https://www.ocnewsjournal.com/oregon-dispensaries-improve-compliance-minor-sales-failures-still-high/>.

28. Ibid

29. Lindsey, Nick. 2018. "Oregon Dispensaries Cracking Down on Minors Trying to Buy Weed." *High Times*. March 30. Accessed April 14, 2018. <https://hightimes.com/news/oregon-dispensaries-cracking-down-minors-trying-buy-weed/>.

30. Davenport, Steven, Jonathan P Caulkins, and Mark A.R. Kleiman. 2015. "Controlling Underage Access to Legal Cannabis." *Case Western Reserve Law Review*: 556.

31. Substance Abuse and Mental Health Services Administration. 2004 to 2014. *National Survey on Drug Use and Health (NSDUH)*. Accessed October 2016. <http://datafiles.samhsa.gov/study-series/national-survey-drug-use-and-health-nsduh-nid13517>

32. Ben Amar, Mohamed. "Cannabinoids in Medicine: A Review of their Therapeutic Potential." *Journal of Ethnopharmacology*, 2006: 1-25.

33. Gavura, Scott. 2018. "Medical Marijuana: Where Is the Evidence?" *Science-Based Medicine*. January 11, Accessed January 13, 2018. <https://sciencebasedmedicine.org/medical-marijuana-where-is-the-evidence/>.

34. National Academies of Sciences, Engineering, and Medicine. 2017. *The Health Effects of Cannabis and Cannabinoids: The Current State of Evidence and Recommendations for Research. Meta-Analysis*. Washington D.C.: National Academies Press.

35. United Nations Office on Drugs and Crime. 2017. *Market Analysis of Plant-Based Drugs - World Drug Report*. Annual Threat Assessment, Vienna, Austria: UNODC.

Research suggests that exposures to cannabis advertising will be prevalent in the post-legalization period and is not limited to those who are of legal age to recreationally consume cannabis.³⁶ Due to the recognized positive association between industry marketing and decreased perception of risk, advertising exposure will likely increase the appeal of cannabis.³⁷ Advertising is an effective method to increase market acceptance and appeal, but in the absence of thoughtful policies to restrict exposure, advertisements will likely influence younger audiences.³⁸ Longitudinal studies would be advantageous to better understand these practices as they relate to public health in Oregon.

Analysis of Cannabis Consumption Related to Oregon

In the period immediately following legalization, adult cannabis use in Oregon was higher than the national average, and according to the most currently available health survey data this has not changed.³⁹⁻⁴¹ Reliable data from the period since legalization indicates that there has been a statistically significant increase of frequency of use among current adult cannabis users from 29%

in 2014 to 36% in 2015.⁴² Data from a 2016 state survey supports this trend, indicating that about 28% of adults self-reported more frequent cannabis use.^{43, 44} According to self-reported health survey data, cannabis consumption when pooled into age groups, indicates that the largest portion of heaviest users fall between 25 to 44 years old - a population of roughly 189,000 individuals.^{45,46} Within this grouping, approximately 37% of the population self-report multiple daily use.⁴⁷ As of 2016, 11% of current adult cannabis users self-reported less frequent use, while 64% self-reported comparable use-frequency to the period prior to state-sanctioned legalization.⁴⁸ Yet, 25% of current adult cannabis users self-reported more frequent use post state-sanctioned legalization.⁴⁹

According to the Oregon Healthy Teens Survey (OHTS) from 2017, 6.7% of 8th graders and 20.9% 11th graders report using cannabis within the last 30 days.⁵⁰ Data from the OSWS, indicates that in 2016, 8% of 8th graders and 22% 11th graders reported cannabis use in within the last 30 days.⁵¹ Among both 8th and 11th graders, risk perception of weekly cannabis use decreased slightly between 2014 to 2016 - the change was not statistically significant.⁵² According to the 2017 OHTS, nearly one in five 8th and 11th graders reported living in a household with an adult who uses cannabis.⁵³

36.Fiala, Steven C, Julia A Dilley, Caislin L Firth, and Julie E Maher. 2018. "Exposure to Marijuana Marketing After Legalization of Retail Sales: Oregonians' Experiences, 2015 - 2016." American Journal of Public Health 120 - 127.

37.Ibid

38.Ibid

39.Substance Abuse and Mental Health Services Administration (SAMHSA). *Behavioral Health Trends in the United States: Results from the 2014 National Survey on Drug Use and Health*. Results from National Survey, RTI International on behalf of the U.S. Department of Health and Human Services, 2015.

40.Substance Abuse and Mental Health Services Administration. *2004 to 2014. National Survey on Drug Use and Health (NSDUH)*. Accessed October 2016. <http://datafiles.samhsa.gov/study-series/national-survey-drug-use-and-health-nsduh-nid13517>

41.Dilley Julia, Caislin Firth, Erik Everson, and Julie Maher. *Marijuana report: Marijuana use, attitudes and health effects in Oregon*. Public Health Impact Report, Portland: Oregon Public Health Division, Oregon Health Authority, 2016.

42.Ibid

43.Ibid

44.The Oregon Public Health Division. 2016. "Prevention Panel Survey, Health Prevention & Chronic Disease Prevention Section." Oregon Health Authority, October.

45.Dilley, Ph.D., M.E.S., Julia, Caislin Firth, M.P.H., Erik Everson, M.P.H., and Julie Maher, Ph.D. 2016. "Marijuana use, attitudes and health effects in Oregon." Marijuana Report (Oregon Health Authority - Oregon Public Health Division) 48, <https://public.health.oregon.gov/PreventionWellness/marijuana/Documents/oha-8509-marijuana-report.pdf>.

46.United States Census Bureau. 2015. United States QuickFacts. July 1. Accessed August 23, 2016. <https://www.census.gov/quickfacts/map/PST045215/00>.

47.Substance Abuse and Mental Health Services Administration. *2004 to 2014. National Survey on Drug Use and Health (NSDUH)*. Accessed October 2016. <http://datafiles.samhsa.gov/study-series/national-survey-drug-use-and-health-nsduh-nid13517>

48.Dilley Julia, Caislin Firth, Erik Everson, and Julie Maher. *Marijuana report: Marijuana use, attitudes and health effects in Oregon*. Public Health Impact Report, Portland: Oregon Public Health Division, Oregon Health Authority, 2016.

49.Ibid

50.Oregon Health Authority. 2018. *2017 Oregon Healthy Teens Survey. Annual Survey Results*, Portland, Oregon: Oregon Health Authority.

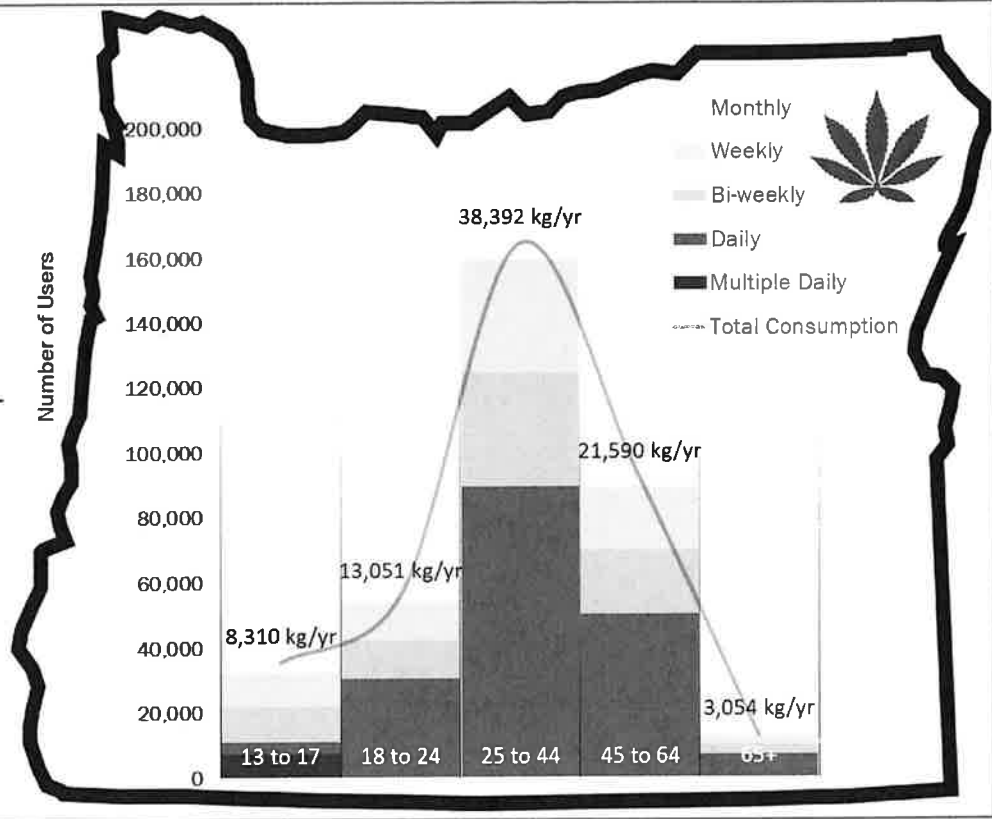
51.Oregon Health Authority. 2016. *2016 Oregon Student Wellness Survey. Annual Public Health Survey Results*, Portland: Oregon Health Authority.

52.Dilley Julia, Caislin Firth, Erik Everson, and Julie Maher. *Marijuana report: Marijuana use, attitudes and health effects in Oregon*. Public Health Impact Report, Portland: Oregon Public Health Division, Oregon Health Authority, 2016.

53.Oregon Health Authority. 2018. *2017 Oregon Healthy Teens Survey. Annual Survey Results*, Portland, Oregon: Oregon Health Authority.

Annual Statewide Cannabis Consumption Pooled by Age and Frequency of Use 2016 - 2017

Figure 11: Calculated Estimate of Annual Cannabis Consumption in Oregon Distributed by Age and Frequency of Use 2015 – 2017. See Technical Appendix for Analytic Methods for Determining State Consumption



OSWS information indicates that higher frequency use – defined as more than 40 times a month – is more common among 11th graders than 8th graders.⁵⁴

Information collected through Oregon’s Electronic Surveillance System for the Early Notification of Community-Based Epidemics (ESSENCE), demonstrates that there was an increase of emergency department visits with cannabis (marijuana) included in the diagnostic code beginning in October 2015.^{(See Figure 12 on Next Page) 55}

Between October 2015 and October 2016, the rate of cannabis-related diagnostic codes in emergency department visits rose 85% from 3.4 per 1000 to 6.3 per 1000 with 11,488 individual visits in that period.^{(See Figure 12) 56} Within this population, the majority of the patients were male and were between 18 and 25 years-old.⁵⁷

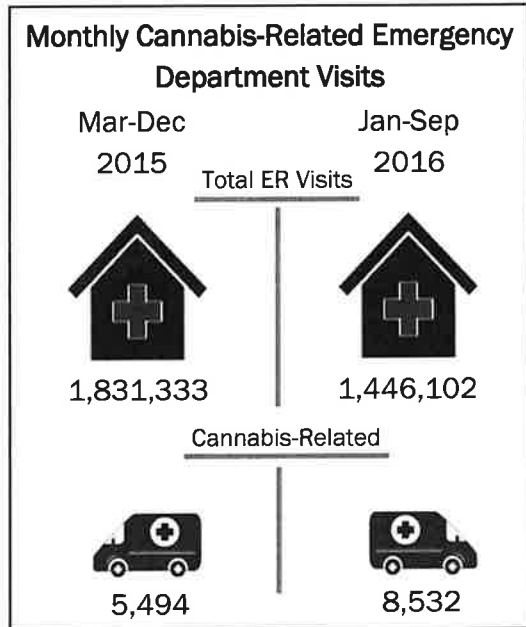


Figure 12: Cannabis-Related Emergency Department Visits 2015–2016 as Reported by the Oregon Health Authority

54. Oregon Health Authority. 2016. 2016 Oregon Student Wellness Survey. Annual Public Health Survey Results, Portland: Oregon Health Authority.

55. Dilley Julia, Caislin Firth, Erik Everson, and Julie Maher. Marijuana report: Marijuana use, attitudes and health effects in Oregon. Public Health Impact Report, Portland: Oregon Public Health Division, Oregon Health Authority, 2016.

56. Ibid

57. Ibid

Data from the Oregon Poison Control Center (OPC) and analysis from the Oregon Health Authority provides a fairly reliable indirect health-related indication of unintended acute effects from cannabis exposure or consumption.^{58, 59} "Marijuana-Related" calls to the OPC increased exponentially from 2014 through 2016, with 348 by the end of the year 2016.⁶⁰ (See Figure 13) According to the OPC, the most commonly reported site of exposure was in a patient's residence.⁶¹ According to publicly available information from the OPC, calls regarding cannabis exposure grew most dramatically in the 21 years and older population - representing 60% of all calls.⁶² Among "Marijuana-Related" calls to the OPC, tachycardia (rapid heartbeat) was the most frequently reported clinical effect.⁶³ (See Figure 13)

Nationally, cannabis is the most common illicit drug detected in drivers and is associated with increased crash risk.⁶⁴ Cannabis, however, is often used in combination with other substances, making it critical to isolate reliable data on cannabis-related traffic fatalities among drivers. In an effort to isolate cannabis-related traffic fatalities among drivers in Oregon, OR-ID HIDTA analyzed data extracted from the Fatal Analysis Reporting System (FARS). According to FARS, on average among drivers, 5% of traffic fatalities were exclusively related to cannabis in Oregon, from 2010 through 2015, but, 62% of traffic fatalities were not subject to a toxicology screening.⁶⁵ (See Figure 14 Located on Next Page) Total statewide traffic fatalities increased in 2016 from 2015, in particular

58. Oregon Health Authority - Oregon Public Health Division. 2017. *Marijuana-Related Calls to the Oregon Poison Center*. Data Summary, Portland, Oregon: Oregon Health Authority.

59. Dilley Julia, Caislin Firth, Erik Everson, and Julie Maher. *Marijuana report: Marijuana use, attitudes and health effects in Oregon*. Public Health Impact Report, Portland: Oregon Public Health Division, Oregon Health Authority, 2016.

60. Dilley Julia, Caislin Firth, Erik Everson, and Julie Maher. *Marijuana report: Marijuana use, attitudes and health effects in Oregon*. Public Health Impact Report, Portland: Oregon Public Health Division, Oregon Health Authority, 2016.

61. Oregon Health Authority - Oregon Public Health Division. 2017. *Marijuana-Related Calls to the Oregon Poison Center*. Data Summary, Portland, Oregon: Oregon Health Authority.

62. Ibid

63. Oregon Health Authority - Oregon Public Health Division. 2017. *Marijuana-Related Calls to the Oregon Poison Center*. Data Summary, Portland, Oregon: Oregon Health Authority.

64. Hartman, Rebecca L, Jack E Richman, Charles Hayes, and Marilyn A Huestis. 2016. "Drug Recognition Expert (DRE) Examination Characteristics of Cannabis Impairment." *Accident Analysis and Prevention* 220.

65. Hartman, Rebecca L, Jack E Richman, Charles Hayes, and Marilyn A Huestis. 2016. "Drug Recognition Expert (DRE) Examination Characteristics of Cannabis Impairment." *Accident Analysis and Prevention* 220.

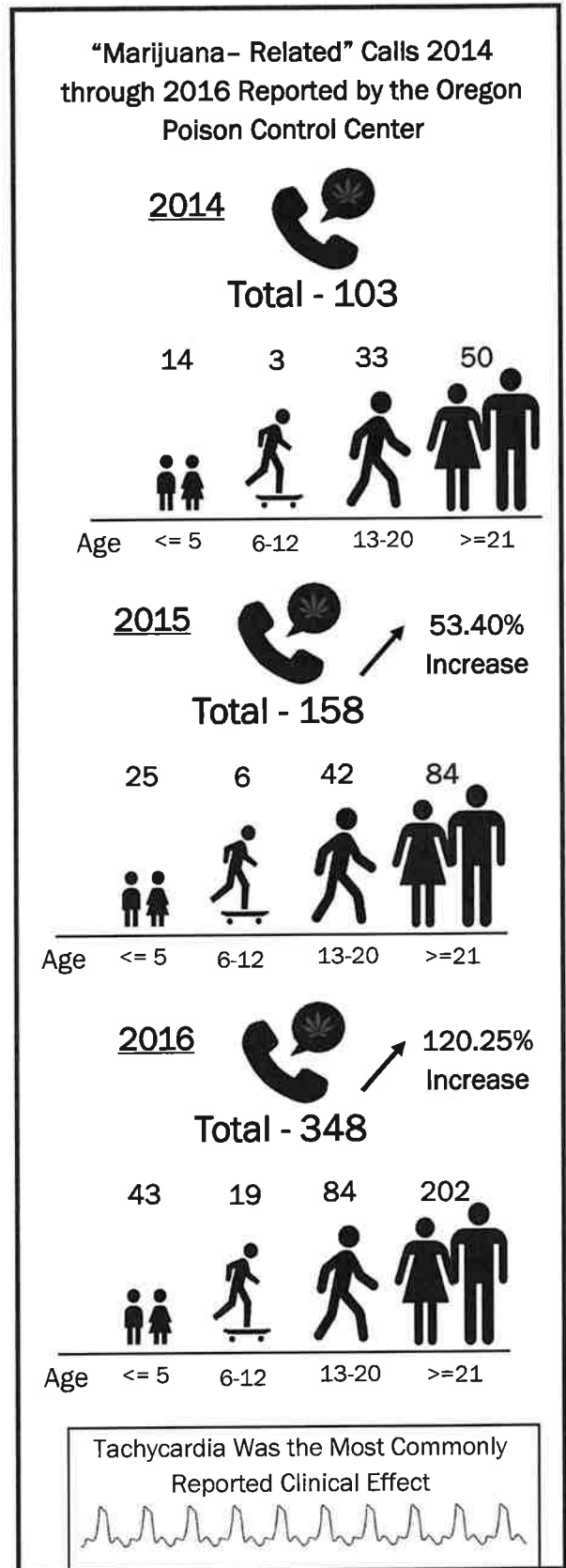


Figure 13: "Marijuana-Related" Calls Reported to Oregon Poison Control Center 2014 - 2016

pedestrian fatalities rose to 72 in 2016 — information gaps remain as to why this occurred, further evaluation would be advantageous to understand if there is any relationship to the state-sanctioned legalization of cannabis.⁶⁶ (See Figure 14) And while there is currently no direct correlation or definitive link between cannabis use and pedestrian fatalities at either the state or national level, research published in 2018 by the Governors Highway Safety Association indicates that states with legalized recreational cannabis experienced a

collective 16.4% increase in pedestrian fatalities during the first six months of 2017 compared to the first six months of 2016, whereas all other states experienced a 5.8% decrease in pedestrian fatalities.⁶⁷ In terms of public health and safety, as well as awareness of laws, findings from researchers at the Oregon Health Authority published in 2016 indicated that between 21% to 34% of adult users drove within 3 hours of using cannabis, while 63% of Oregon adults self-report that they do not know when it is legal to drive after using cannabis.⁶⁸

Consumption

Average Distribution of Substances Among Drivers in Oregon Traffic Fatalities 2010 - 2015

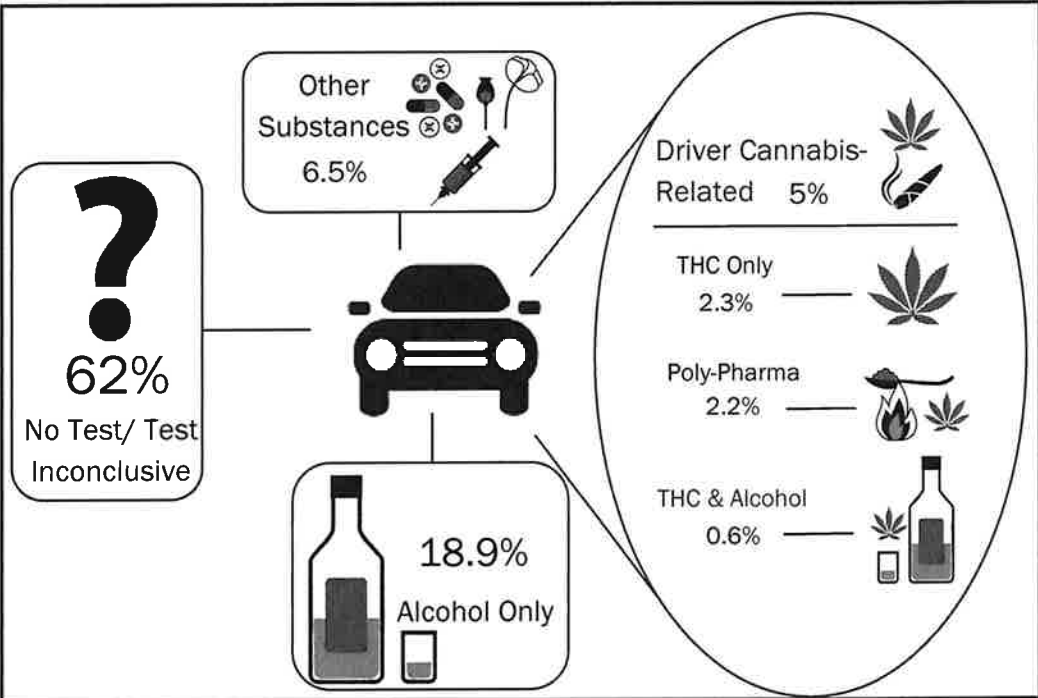
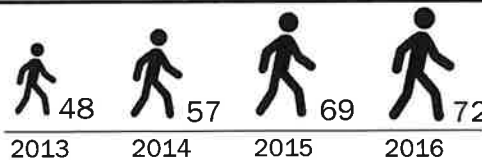


Figure 14: Average Distribution of Impairing Substances Involved in Fatal Crashing Oregon 2010 through 2015 from NHTSA FARS⁶⁹ and Total Number of Pedestrian Traffic Fatalities in Oregon 2013 through 2016

Traffic Pedestrian Fatalities in Oregon 2013 - 2016



66.National Highway Traffic Safety Administration. 2018. *Traffic Safety Performance (Core Outcomes) Measures* for Oregon*. Washington D.C. <https://cdan.nhtsa.gov/SASStoredProcess/guest>.

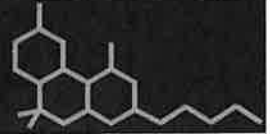
67.Governors Highway Safety Association. 2018. *Pedestrian Traffic Fatalities by State*. Data Summary, GHSA.

68.Dilley Julia, Caislin Firth, Erik Everson, and Julie Maher. *Marijuana report: Marijuana use, attitudes and health effects in Oregon*. Public Health Impact Report, Portland: Oregon Public Health Division, Oregon Health Authority, 2016.

69.National Highway Traffic Safety Administration. 2018. *Traffic Safety Performance (Core Outcomes) Measures* for Oregon*. Washington D.C. <https://cdan.nhtsa.gov/SASStoredProcess/guest>.

Section V: A Risk Based Law Enforcement Analysis

Section Summary



This section presents finished intelligence findings related to the production, distribution, and consumption of cannabis associated with Oregon through a law enforcement prism. This majority of the analysis is centered on verifiable information and accessible data from the period after July 2015 — when feasible.

Essential Elements of Information from this Section

Production

- As recently as 2016, illicit cannabis cultivation on public lands persisted unabated, despite the emergence of the state-sanctioned cannabis production market.
- From 2011 through 2016, 84% of illicit grow sites were found on U.S. Forest Service lands.
- In 2016 alone, over 26,500 plants – worth \$362 million – were removed from public lands across Oregon.
- In all, from 2011 through 2016, statewide illicit grow sites produced \$2.1 billion worth of cannabis.
- Law enforcement in Oregon investigated at least 64 clandestine cannabinoid extract laboratories between July 2015 and January 2018, 21 of which resulted in a fire or explosion.

Distribution

- Illicit distribution of cannabis has persisted after the emergence of the state-sanctioned market.
- Between July 2015 and January 2018, 6,602 kg (14,550 lb) of trafficked Oregon cannabis was seized en route to 37 states – worth more than \$48 million.
- During that period of time, Oregon cannabis was most frequently illicitly exported to Minnesota, Florida, Wisconsin, Missouri, Virginia, Illinois, Arkansas, Iowa, Maryland, and Texas.
- By aggregate volume of exported cannabis, the states of Virginia, Ohio, Wisconsin, New York, Missouri, Florida, New Jersey, Texas, and Illinois were the most common destinations.
- The majority of illicitly exported Oregon cannabis was linked to Jackson, Multnomah, Josephine, Lane, Deschutes, and Washington counties.
- SUVs are more commonly used in the trafficking of Oregon cannabis than passenger cars.
- In-bound monetary seizures determined to be related to the out-of-state distribution of Oregon cannabis have aggregated to nearly \$1.7 million from July 2017 through March 2018 at the Port of Portland International Airport.
- In the same period of time, \$861k worth of cannabis products were interdicted during attempted exportation at the Port of Portland International Airport.
- Among in-bound monetary seizures, the largest originated from Chicago, Illinois; Dallas Fort-Worth, Texas; Atlanta, Georgia; Phoenix, Arizona; and Los Angeles, California – over \$718k was seized from Chicago and Dallas alone

Essential Elements of Information Continued

Distribution

- As of 2018, Oregon cannabis products were found on multiple public internet markets, and clandestine online marketplaces.
 - The most commonly used digital currencies accepted by vendors of Oregon cannabis on clandestine marketplaces were Bitcoin, Bitcoin Cash, Ethereum, Monero, and Litecoin.
 - Financial analysis of statewide regulatory reporting by financial institutions from Q-3 2017 indicates that 22.72% of all reported suspicious activity was cannabis-related.
-

Consumption

- Between 2014 and 2016, statewide totals of Drug Recognition Expert (DRE) examinations that resulted in a cannabis impaired driving opinion – all of which were validated by toxicological results – increased 66.28%, coming to a total of 991 by 2016.
- From 2013 through 2015, among those of legal age to legally consume cannabis in the state, the majority of cannabis-related DRE examinees fell between the ages of 21 to 31 years-old.
- Among cannabis-related DRE examinees from the same dataset, roughly 20% were under 21 years-old.

Analysis of Cannabis Production

OR-ID HIDTA reviewed and analyzed a mixture of indirect indicators to form a logical estimate of TSP, which leaves 742,500 to 827,100 kg (1.6 to 1.8 million lb) of annual surplus cannabis above what the state currently consumes – a surplus valued up to \$7.9 billion on the national market at end-user prices.¹⁻⁸ In the context of abundant production, law enforcement personnel have found it difficult to determine the legal status of cannabis grow operations, extraction labs, and wholesalers as the state’s regulatory regime is understaffed and straddles two distinct state agencies – making reliable information about noncompliant extra-legal sites limited.^{9, 10}

As recently as 2016, reliable information on wholly illicit grow operations from the Domestic Cannabis Eradication and Suppression Program (DCE/SP) indicates that state-sanctioned cannabis legalization has not affected the operational footprint of Mexican National Drug Trafficking Organization cannabis cultivation on public lands in Oregon — limited evidence that black market cannabis cultivation continued in the period following state-sanctioned legalization.^{11, 12} Among the illicit grows eradicated from 2011

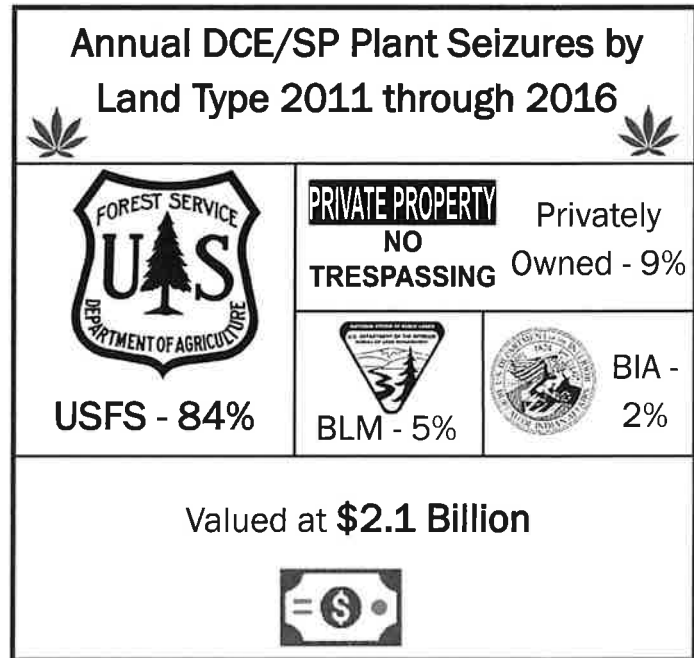


Figure 15: Distribution of Illicit Cannabis Grows by Land Type 2011 through 2016

through 2016, 84% were found on United States Forest Service lands, with over 26,500 plants removed, worth \$362 million in 2016 alone.¹³ These illicit grow operations scar Oregon’s distinct ecosystems, by employing excessive amounts of rodenticides and herbicides, clearing vegetation, and

1. Drug Enforcement Administration. 2015. *2015 Domestic Cannabis Eradication/Suppression Program Statistical Report*. Accessed July 21, 2016. https://www.dea.gov/ops/cannabis_2015.pdf.

2. Caulkins, Jonathan P. *Estimated Cost of Production for Legalized Cannabis*. Working Paper, RAND, 2010, Pg. 10 - 15

3. Escondido, Nico. 2015. *Nico's Nuggets: Plant Yields, Seeds and More*. December 4. Accessed August 31, 2017. <http://hightimes.com/grow/nicos-nuggets-plant-yields-seeds-more/>

4. Bergman, Robert. 2015. "How Much Marijuana Can One Plant Yield?" Grasscity Magazine. July. Accessed August 31, 2017. <https://magazine.grasscity.com/how-much-marijuana-can-one-plant-yield-600/>

5. Gettman, Jon. "Marijuana Production in the United States 2006." *Drug Science Organization*. 2006. <http://www.drugscience.org/Archive/bcr2/estproc.html> (accessed September 5, 2017)

6. Conrad, Chris. *A Guide to the Production and Use of Medical Marijuana*. Industry White Paper, El Sobrante: Safe Access Now, 2015, Pg. 11.

7. Crawford, Seth S. 2014. "Estimating the Quasi-Underground: Oregon's Informal Marijuana Economy." *Humboldt Journal of Social Relations* (36): 131.

8. Price of Weed. 2016. *Price of Weed, a Global Price Index for Marijuana*. Accessed April 8, 2018. <http://www.priceofweed.com/>

9. The Associated Press. 2018. "Oregon Officials Struggle to ID which Cannabis Grows Are Legal." *Leafly*. February 21. Accessed March 8, 2018. <https://www.leafly.com/news/politics/oregon-officials-struggle-to-id-which-cannabis-grows-are-legal>

10. Selsky, Andrew. 2018. "Tons of Legal Marijuana Leave Regulators Awash in Data." *The Washington Post*. April 26. Accessed April 26, 2018. https://www.washingtonpost.com/business/technology/oregon-marijuana-lots-of-data-few-to-analyze-and-check-it/2018/04/26/e98eaf12-491f-11e8-8082-105a446d19b8_story.html?noredirect=on&utm_term=.1c7841fbdc2c

11. Milestone, Jim F, Kevin Hendricks, Alan Foster, Jim Richardson, Sean Denniston, Athena Demetry, Matt Ehmman, Charles Covelier, David Schifsky, and David Fireman. 2011. "Continued Cultivation of Illegal Marijuana in the U.S. Western National Parks." *George Wright Society Conference on Parks, Protected Areas, and Cultural Sites*. Hancock, Michigan: The George Wright Society. 209-216.

12. Drug Enforcement Administration (DEA). 2016. "Oregon Domestic Cannabis Eradication and Suppression Program (DCE/SP)." Reported Statistics 2011 to 2016. DEA. Accessed November 18, 2016. <https://www.dea.gov/ops/cannabis.shtml>

13. Ibid

clustering plants near water sources – disproportionately affecting ecologically critical areas.¹⁴

Aside from the persistent problem of illicit cultivation on public lands, the post-legalization period has seen the emergence of clandestine cannabinoid extraction labs in Oregon. From July 2015 (shown as Q3 and Q4 in Figure 16) through January 2018, law enforcement personnel documented the discovery of at least 64 clandestine cannabinoid extraction labs, 21 of which resulted in a fire and/or explosion.¹⁵ (See Figure 16) In 2016, 25 of these operations were found and in 2017, 32 were discovered.¹⁶ (See Figure 16)

These operations frequently employ highly volatile hydrocarbons as a solvent to dissolve and extract cannabinoids – usually THC.¹⁷ The resulting mixture is purged of the solvent leaving a highly potent THC resinoid that can be refined into products like “shatter”, “budder”, and “wax.”^{18 - 20} Equipment for these ad hoc labs and precursor solvents can be obtained online or from local retailers.²¹ The Drug Enforcement Administration cites butane as the most dangerous and most common solvent used in production of cannabinoid extracts.²² The tangible effects from these productions activities are evident by the 71 BHO burn victims treated at the Oregon Burn Center in the same period.²³

14. Butsic, Van, and Jacob C Brenner. 2016. *Cannabis (Cannabis Sativa or C. Indica) Agriculture and the Environment: A Systematic, Spatially-Explicit Survey and Potential Impacts*. Environmental Impact Summary, IOP Science: 1-2.

15. Drug Enforcement Administration. 2018. *El Paso Intelligence Center*. Accessed 2018. <https://www.dea.gov/ops/intel.shtml#EPIC>

16. Ibid

17. Drug Enforcement Administration. 2016. *2016 National Drug Threat Assessment Summary*. Annual Threat Assessment, U.S. Department of Justice - DEA: 119

18. Seattle Cannabis Co. 2015. "Cannabis Concentrates - Oils, Wax, Hash and More." Seattle Cannabis Co. February 1. Accessed October 27, 2016. <http://seattlecannabis.co/cannabis-concentrates-oils-wax-hash/>

19. Grasscity Forums. 2016. How to Make BHO to Pass Testing. Really Nice Wax/Shatter. August 11. Accessed October 27, 2016. <https://forum.grasscity.com/threads/how-to-make-bho-to-pass-testing-really-nice-wax-shatter.1122034/>.

20. Abad-Santos, Alexander. 2013. "The Amateur's Guide to Dabs." *The Atlantic*. May 13. Accessed October 26, 2016. <http://www.theatlantic.com/national/archive/2013/05/amateurs-guide-dabs/315221/>.

21. Precision Extraction Solutions. 2018. *Precision Extraction Solutions*. Accessed April 1, 2018. <https://precisionextraction.com/>.

22. Drug Enforcement Administration. 2016. *2016 National Drug Threat Assessment Summary*. Annual Threat Assessment, U.S. Department of Justice - DEA: 119

23. Legacy Emmanuel Oregon Burn Center. 2013-2017. "BHO Burn Victims." *Legacy Emmanuel Oregon Burn Center*. Accessed 2016 and 2018

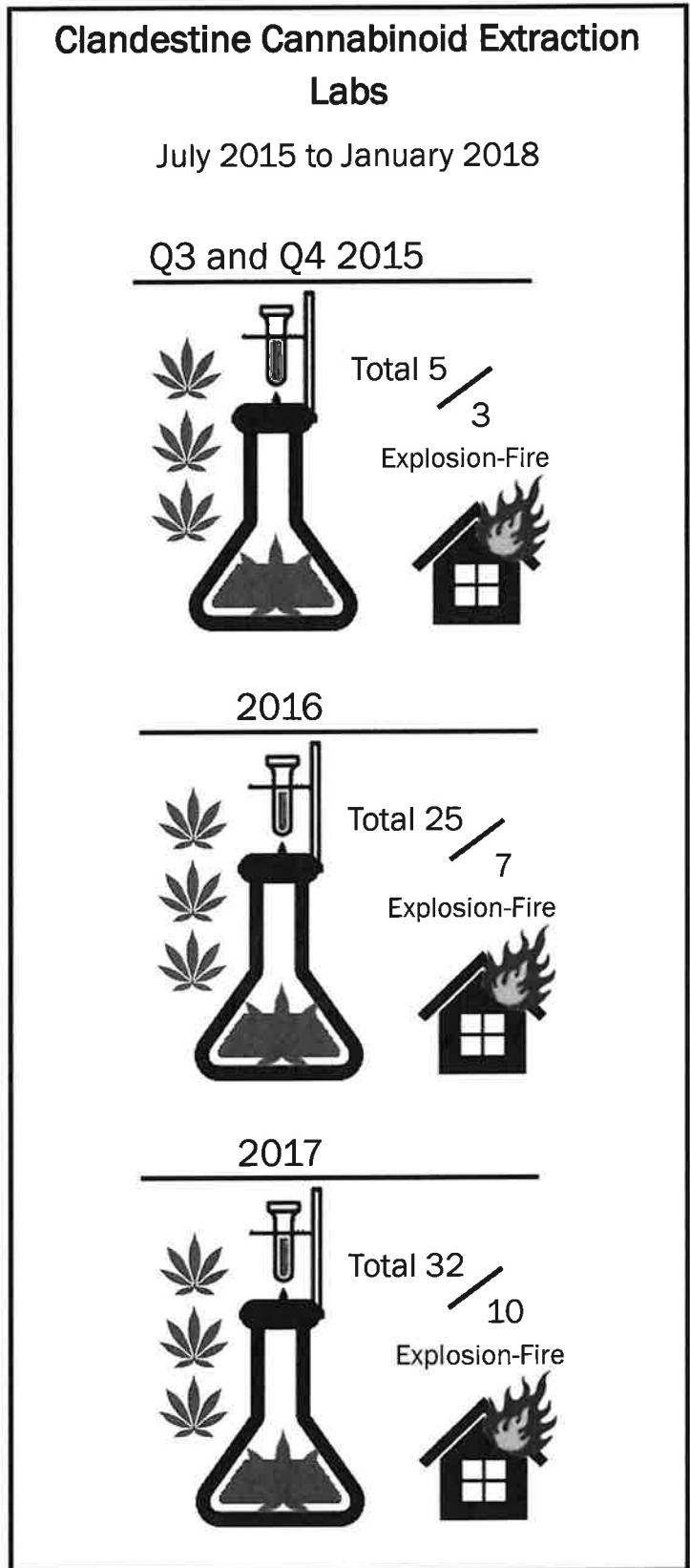


Figure 16: Clandestine Cannabinoid Extraction Labs July 2015 through January 2018

Analysis of Cannabis Distribution

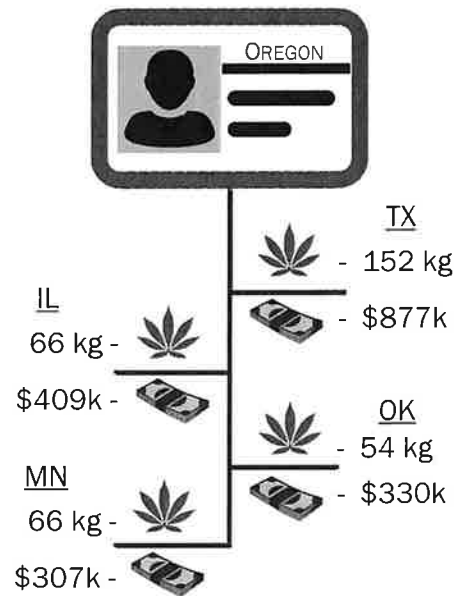
Relative to other data sources, there is a wealth of accessible and reliable data related to the illicit distribution of cannabis produced in Oregon available from law enforcement sources. The combination of out-of-state seizure data, in-bound monetary seizures, and internet-based sales of Oregon cannabis provide insight into the scope of illicit interstate cannabis trafficking from Oregon. Because Oregon produces more cannabis than can be consumed by local demand, preventing the exportation of cannabis is a priority and is wholly illegal at both the federal and state level.^{24 - 27}

According to a 2018 audit of OLCC inventory, 498,952 kg (1 million lb) of usable cannabis flower was available to sell, but only 31% (154,221 kg) was distributed to consumers within the state-sanctioned market.^{28, 29} Annual TSP is at least 911,500 kg (2 million lb), leaving abundant surplus cannabis available for the national market after domestic consumption is satiated – per OLCC there was a surplus of 344,730 kg (760,000 lb) unsold cannabis logged during the recent audit of the recreational system.^{30 - 36}

From July 2015 through January 2018, 6,602 kg (14,550 lb) of cannabis from Oregon (worth roughly \$48 million) was seized out-of-state, most frequently en route to Minnesota, Florida, Wisconsin, Missouri, Virginia, Illinois, Arkansas,

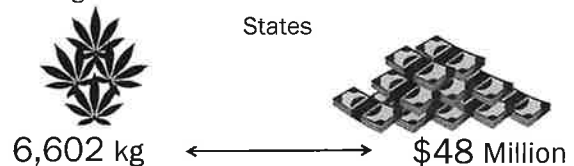
OR Drivers Licensees Trafficked OR-Cannabis to at Least 12 States

July 2015 through January 2018



From July 2015 through January 2018

Oregon Cannabis Was Seized En Route to 37 States



Figures 17 & 18: Selection of Oregon Cannabis Trafficking Activity by Oregon ID Holders and Total Sum of Oregon Cannabis Seizures July 2015 - Jan 2018

24.State of Oregon. "Measure 91 - the Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act." *Oregon Recreational Marijuana*. 2014. <http://www.oregon.gov/olcc/marijuana/Documents/Measure91.pdf> (accessed June 21, 2016).

25.Sessions, Jefferson B. 2018. *Memorandum for All United States Attorneys*. Memorandum, Washington D.C.: United States Department of Justice.

26.Cole, James M. 2013. "Guidance Regarding Marijuana Financial Crimes." U.S. Department of Justice. August 29. Accessed September 26, 2016. <https://www.justice.gov/sites/default/files/usao-wdwa/legacy/2014/02/14/DAG%20Memo%20-%20Guidance%20Regarding%20Marijuana%20Related%20Financial%20Crimes%202014%20-%202014%20-%20282%29.pdf>.

27.Stangel, Matt. 2018. "Oregon Grew More Cannabis Than Customers Can Smoke. Now Shops and Farmers Are Left with Mountains of Unwanted Bud." *Willamette Week*. April 19. Accessed April 24, 2018. <http://www.wweek.com/news/2018/04/18/oregon-grew-more-cannabis-than-customers-can-smoke-now-shops-and-farmers-are-left-with-mountains-of-unwanted-bud/>.

28.Ibid

29.Selsky, Andrew. 2018. "Tons of Legal Marijuana Leave Regulators Awash in Data." *The Washington Post*. April 26. Accessed April 26, 2018. https://www.washingtonpost.com/business/technology/oregon-marijuana-lots-of-data-few-to-analyze-and-check-it/2018/04/26/e98eaf12-491f-11e8-8082-105a446d19b8_story.html?noredirect=on&utm_term=.1c7841fbdc2c.

30.Substance Abuse and Mental Health Services Administration. 2004 to 2014. *National Survey on Drug Use and Health (NSDUH)*. Accessed October 2016. <http://datafiles.samhsa.gov/study-series/national-survey-drug-use-and-health-nsduh-nid13517>

31.Oregon Health Authority. 2016. 2016 Oregon Student Wellness Survey. *Annual Public Health Survey Results, Portland: Oregon Health Authority*

32.Oregon Health Authority. 2018. *2017 Oregon Healthy Teens Survey*. Annual Survey Results, Portland, Oregon: Oregon Health Authority.

33.United States Census Bureau. 2015. *United States QuickFacts*. July 1. Accessed August 23, 2016. <https://www.census.gov/quickfacts/map/PST045215/00>.

34.Kilmer, Beau, and Greg Ridgeway. 2016. "Bayesian Inference for the Distribution of Grams of Marijuana in a Joint." *Drug and Alcohol Dependence* 175-180.

35.Crawford, Seth S. 2014. "Estimating the Quasi-Underground: Oregon's Informal Marijuana Economy." *Humboldt Journal of Social Relations* (36): 118-137.

36.Selsky, Andrew. 2018. "Tons of Legal Marijuana Leave Regulators Awash in Data." *The Washington Post*. April 26. Accessed April 26, 2018. https://www.washingtonpost.com/business/technology/oregon-marijuana-lots-of-data-few-to-analyze-and-check-it/2018/04/26/e98eaf12-491f-11e8-8082-105a446d19b8_story.html?noredirect=on&utm_term=.1c7841fbdc2c.

Iowa, Maryland, and Texas – listed in descending order of the upper third quartile.³⁷ By raw volume of exported cannabis, the largest aggregate destinations are Virginia, Ohio, Wisconsin, New York, Missouri, Florida, New Jersey, Texas, and Illinois – also in descending order of the upper third quartile.³⁸ In total, from July 2015 to January 2018 Oregon marijuana was interdicted en route to 37 states.³⁹ The Oregon counties of Jackson, Multnomah, Josephine, Lane, Deschutes, and Washington are most heavily associated with

exportation activities – determined by using network analysis, frequency, and volume of seizures.⁴⁰ SUVs have become more frequently employed in the illicit exportation of Oregon’s cannabis by highway, accounting for a greater aggregate seizure volume than sedans.⁴¹ (See Figure 19)

In-bound monetary seizures determined to be related to the trafficking/exportation of Oregon cannabis have aggregated to nearly \$1.7 million from July 2017 through March 2018 at the Port of Portland International Airport.⁴² Meanwhile, over \$861k worth

Distribution

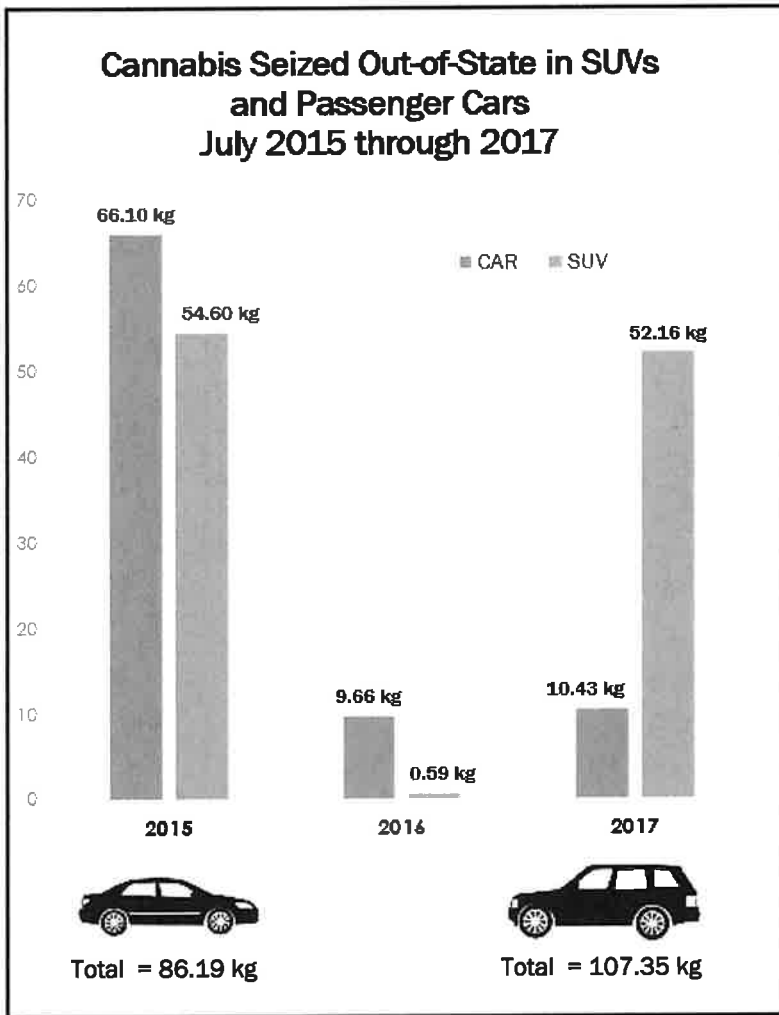


Figure 19: Distribution of Most Common Vehicles Found Trafficking Oregon Cannabis July 2015 through 2017 – Determined by Aggregate Volume

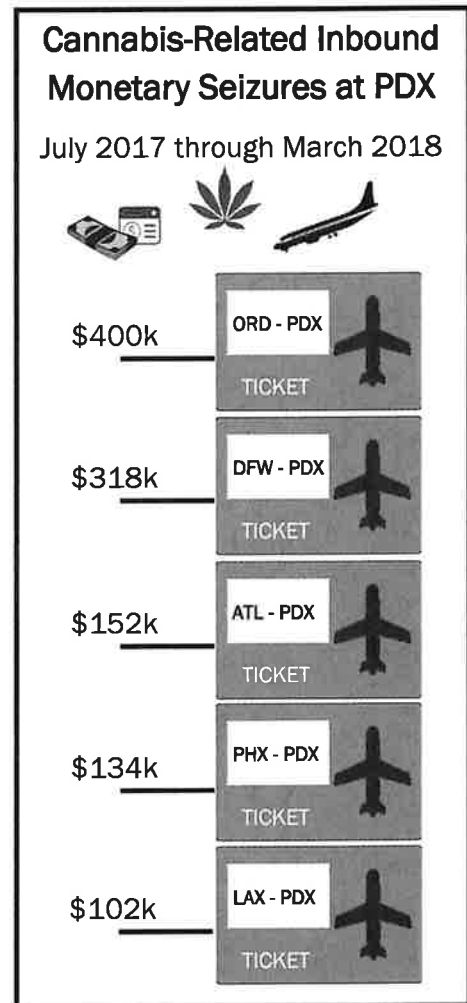


Figure 20: Upper Third Quartile of Inbound Monetary Seizures Associated with Cannabis Trafficking

37. Drug Enforcement Administration. 2018. *El Paso Intelligence Center*. Accessed January 21, 2018. <https://www.dea.gov/ops/intel.shtml#EPIC>

38. Ibid

39. Ibid

40. Ibid

41. Ibid

42. Port of Portland Police. July 2017 through March 2018. "Cannabis Cash Seizures." Port of Portland Police

of cannabis products were interdicted during attempted exportation at the Port of Portland International Airport.^{43 - 45} Among in-bound monetary seizures, the largest originated from Chicago Illinois (ORD), Dallas Fort-Worth Texas (DFW), Atlanta Georgia (ATL), Phoenix Arizona (PHX), and Los Angeles California (LAX) – over \$718k was seized from Chicago and Dallas alone.

⁴⁶ (See Figure 20 Located on Previous Page)

Distribution

The illicit distribution of cannabis continues to take place on many internet markets on both the open internet and deep websites. As of the date of this writing, Craigslist websites for Oregon host advertisements for cannabis flower, shatter, and oils, clones, seeds, specialty equipment, and property for grow sites.⁴⁷ On the two most popular deep web marketplaces – Dream Market and Wall St. Market – dozens of vendors claimed to have access to Oregon cannabis products.^{48, 49} On these online markets, the most commonly accepted digital currencies were Bitcoin, Bitcoin Cash, Ethereum, Monero, and Litecoin.^{50, 51}

Consumption

According to OR-ID HIDTA analysis of financial regulatory reporting from 2017, the majority of aboveboard cannabis-related financial activity was routed through financial institutions with purported business activity within agricultural, retail, and financial services.⁵² Additional analysis of data from law enforcement sensitive sources, indicates that the most commonly used money laundering schemes related to the distribution of Oregon cannabis have been electronic funds transfers, real estate deals, funnel accounts, and tax evasion⁵³

Reliable information will continue to grow on the financial mechanics of cannabis-related activity as regulatory reporting increases in-parallel with access to financial services. The most recent figures published by the Financial Crimes Enforcement Network indicate that there were 117,369 “Marijuana-Related” Suspicious Activity Reports filed in the 4th quarter of 2017 nationwide.⁵⁴

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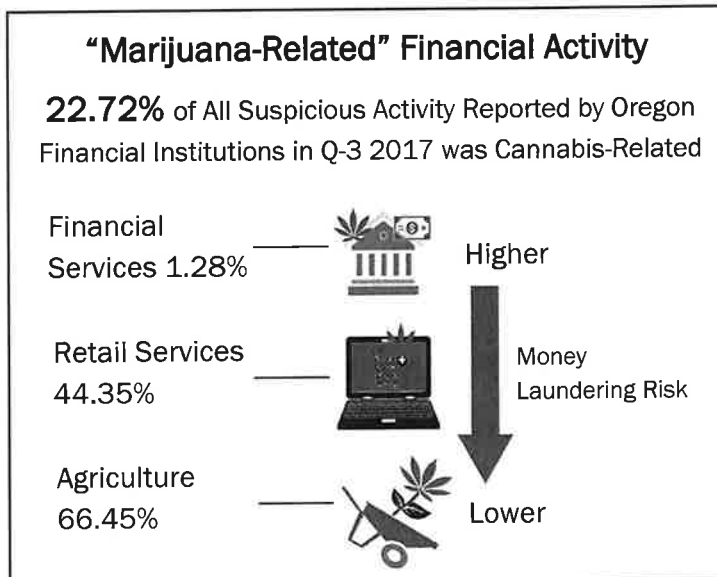


Figure 21: Risk-Rated Distribution of Cannabis Related Activity Reported As Suspicious Activity from Q-3 2017

Analysis of Cannabis Consumption

Policing impaired driving remains the most tangible effect related to cannabis consumption for law enforcement in Oregon. According to information from the Oregon State Police (OSP), from 2014 through 2016 the total number of cannabis related Drug Recognition Expert (DRE) opinions rose from 596 in 2014 to 991 in 2016 – representing an increase of 66.28% in a limited

43.Ibid

44.Price of Weed. 2017. "Price of Weed, a Global Price Index for Marijuana." Price of Weed. September 5. Accessed September 5, 2017. <http://www.priceofweed.com/>

45.Drug Enforcement Administration. 2018. *El Paso Intelligence Center*. Accessed January 21, 2018. <https://www.dea.gov/ops/intel.shtml#EPIC>

46.Port of Portland Police. July 2017 through March 2018. "Cannabis Cash Seizures ." Port of Portland Police

47.Craigslist. 2018. Craigslist . Accessed April 25, 2018. <https://portland.craigslist.org/>

48.Dream Market. 2018. Dream Market. Accessed March 8, 2018. <http://5gc3hz66uifzgwu.onion/?ai=1675>.

49.Wall Street Market. 2018. Wall Street Market. Accessed March 8, 2018. <http://wallst4qihu6lvsa.onion/signup?ref=276>.

50.Ibid

51.Dream Market. 2018. Dream Market. Accessed March 8, 2018. <http://5gc3hz66uifzgwu.onion/?ai=1675>.

52.Department of the Treasury Financial Crimes Enforcement Network. 2018

53. LES -Department of the Treasury Financial Crimes Enforcement Network. 2018

54.United States Department of Treasury - Financial Crimes Enforcement Network. 2018. *Marijuana Banking Update*. Statistical Update, Washington D.C.: FinCEN.

data set.⁵⁵ Historical information provided by OSP from 2013 through 2015, indicates that among those above the legal age for cannabis consumption in Oregon, the majority of cannabis-related DRE examinees fell between the ages of 21 to 31 years-old.⁵⁶ Yet, in the same dataset, the 20% of the cannabis-related DRE examinees were under 21 years-old.⁵⁷ An overwhelming body of

empirical evidence demonstrates serious performance reductions from THC, yet many cannabis users believe they are able to compensate for these and drive safely.⁵⁸ Because Oregon does not have a *per se* limit (defined legal threshold) for THC impairment, DRE exams are crucial for preventing cannabis impaired driving and mitigating the potential for associated traffic fatalities.⁶⁰

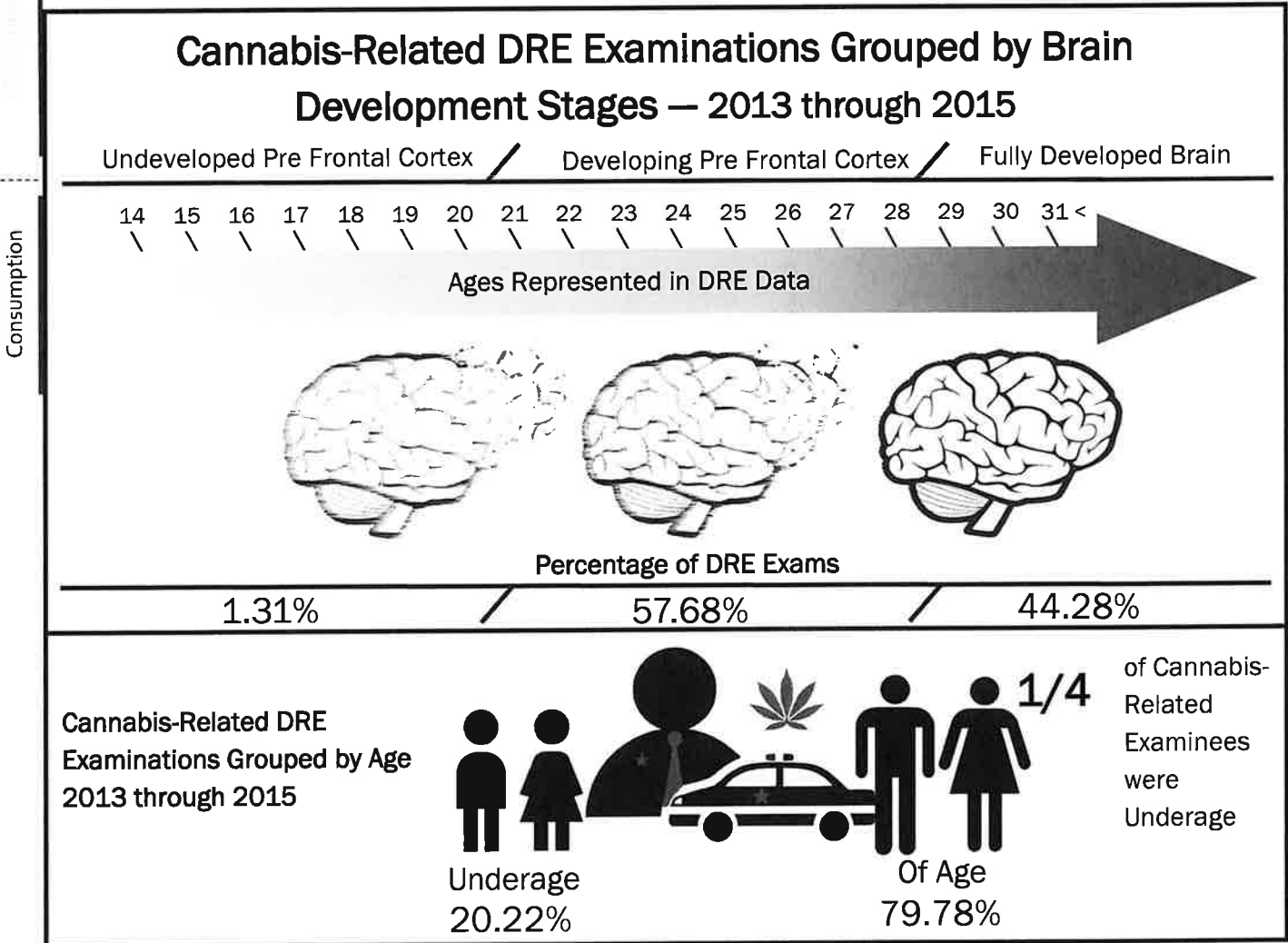


Figure 22: DRE Examinations 2013 - 2015 Distributed by Age Group and Stages of Brain Development

55.Oregon State Police, 2010 to 2016, "Drug Recognition Expert Examinations." OSP.

56.Ibid

57.Ibid

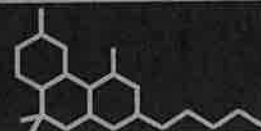
58.Hartman, Rebecca L, and Marilyn A Huestis. 2013. "Cannabis Effects on Driving Skills." *Clinical Chemistry* 489.

59.Terry, P, and K.A. Wright. 2005. "Self-Reported Driving Behaviour and Attitudes Towards Driving Under the Influence of Cannabis Among Three Different User Groups in England." *Addictive Behaviors* 619-626.

60.Logan, Barry PhD, Sherri PhD Kacinko, and Douglas PhD Beirness. 2016. *An Evaluation of Data from Drivers Arrested for Driving Under the Influence in Relation to Per Se Limits for Cannabis*. Research Report, Washington DC: AAA Foundation for Traffic Safety.

Section VI: Additional Areas of Research

Purpose and Objective



This section outlines additional areas of research for which there was not a reliable body of data and evidence to sufficiently evaluate. These areas of study span issues of public-health, law enforcement, and socio-economics in the state.

Drug-Related School Suspensions and Expulsions

OR-ID HIDTA reviewed available information published by the Oregon Department of Education on “disciplinary incidents” in public schools, but the data reliability could not be sufficiently evaluated in a timely manner for application in this assessment. Due to this limitation, the data was cataloged and will be retained for future evaluation.

Cannabis-Related Investment Fraud

Oregon’s cannabis industry has become a high-risk ripe target for investment fraud. The Portland based Cannacea Medical Marijuana Dispensary was involved in falsifying licensing to solicit capital and worked with Green Rush Consulting to locate unwitting investors.¹ The entity exploited the burgeoning cannabis industry in the state to entice investors to back an illegitimate company, securing a quarter million dollars in fraudulent gains. Also according to the U.S. Securities and Exchange Commission (SEC), cannabis investors fell prey to “pump and dump” schemes and lost up to \$23.3 billion in 2014 alone.² According to the U.S. SEC, “Fraudsters often exploit the latest

innovation, technology, product, or growth industry—in this case marijuana—to lure investors with the promise of high returns.”^{3,4} These cases exemplify the range of crimes taking root in Oregon’s cannabis sector. Oregon’s cannabis businesses are cash intensive operations, and as such are easy targets for robbery and financial exploitation.

Nexus to Violent Crimes

Financial crimes notwithstanding, cannabis is an attractive target for robbery and as recently as December 2016 a state-licensed cannabis producer was targeted for a violent armed robbery.⁵ In the aforementioned case, a well-known cannabis grower in Jackson County was assaulted, bound, and his harvest was taken by armed assailants.

The expanding myriad of cannabis related support services and specialties poses a challenge to law enforcement and regulators. Other prominent cannabis production states have had cases of sexual exploitation and forced labor linked to cannabis grows. In California’s Emerald Triangle so-called “bud-trimmers or trimmigrants” have been raped, trafficked, and abused by cannabis growers.⁶ Although there is no credible indication that this form of human trafficking

1.Crombie, Noelle. 2016. "State Slaps Portland Dispensary Owner with \$40,000 Fine in Fraud Inquiry." The Oregonian/OregonLive. July 29, Accessed February 6, 2017. http://www.oregonlive.com/marijuana/index.ssf/2016/07/state_slaps_portland_dispensar.html.

2. Sapient Investigations Inc. 2015. "High Times for Fraud." Sapient Investigations Newsletters. February 10. Accessed November 22, 2016. <https://sapientinvestigations.com/spi-news/high-times-for-fraud/>.

3. Consumer Reports. 2015. "Why Marijuana Stocks Might Go Up in Smoke." Consumer Reports Money. June 28. Accessed January 15, 2017. <http://www.consumerreports.org/cro/news/2015/06/why-marijuana-stocks-might-go-up-in-smoke/index.htm>.

4.Sapient Investigations Inc. 2015. "High Times for Fraud." Sapient Investigations Newsletters. February 10. Accessed November 22, 2016. <https://sapientinvestigations.com/spi-news/high-times-for-fraud/>.

5.Crombie, Noelle. 2016. "Masked Intruders Hit Legal Marijuana Grow -- First Violent Crime at Licensed Pot Farm." The Oregonian/OregonLive. December 29. Accessed January 27, 2017. http://www.oregonlive.com/marijuana/index.ssf/2016/12/authorities_investigating_assa.html.

6. Walter, Shoshana. 2016. "In Secretive Marijuana Industry, Whispers of Abuse and Trafficking." *Reveal News*. September 8. Accessed January 28, 2017. <https://www.revealnews.org/article/in-secretive-marijuana-industry-whispers-of-abuse-and-trafficking/>.

is happening in Oregon, monitoring trends in the cannabis labor force would be advisable.

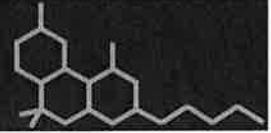
Classical “Marijuana-Related” Arrests

OR-ID HIDTA reviewed data from Oregon Uniform Crime Reporting and Oregon National Incident-Based Reporting System Resource for

criminal drug offenses and arrests. Due to recent legislative changes, modifications to the state-wide data collection, and the lag to the criminal code updates following legislative shifts, correlative analysis was deemed to be inappropriate at this time. Thus, this criminal justice information was cataloged for future analysis for applications in new research.

Section VII: Technical Appendix

Purpose and Objective



This appendix provides essential information regarding analytic models and key methodology used in this assessment developed from the review of 310 individual information sources. Additionally this section provides information on the initial limitations noticed during the course of this research.

Part I – Initial Limitations and Caveats

Former DOJ Deputy Attorney General James M. Cole established clear requirements and expectations for states that have chosen to enact a state-sanctioned commercial cannabis market, which were subsequently crystallized into Oregon law - before being officially rescinded by Attorney General Jeff Sessions in January 2018. This assessment is intended to serve as initial evaluation of relevant issues associated with cannabis production, distribution, and consumption in the context of Oregon as of 2018, with its state-sanctioned cannabis legalization against the larger context of federal prohibition. Thus, the analysis of this assessment is strictly static, built upon reliable contemporary information, and does not attempt to forecast the evolution of “marijuana legalization.” To further the collective body of knowledge, on-going monitoring of the indicators evaluated herein and emergent data will be required for future assessments.

Comprehensive data on cannabis related traffic fatalities was not available at the time of this publication, as roughly one third of all fatalities in Oregon are subject to toxicology screening. Information related to cannabis is highly heterogeneous (multifaceted) and decentralized across a number of distinct

databases - maintained by many different public and private parties. Thus, to facilitate future research into state efficacy with federal enforcement priorities - outlined in state law - there should be collaborative approaches to data standardization, information centralization, and intelligence sharing. Public health drug use surveys provide the only verifiable information on cannabis consumption for Oregon, but these could be revised to better evaluate self-reported consumption. Allowing for certain publicly funded education institutions to opt-out of participation diminishes the reliability of these sources and reduces the sample pools.

Data accessibility hindered the refinement of analytic models on production and consumption from the state-sanctioned recreational production system. In place of primary source information, the OR-ID HIDTA capitalized upon publicly available information that referenced statistics from OLCC. Observed product stocks reported in OLCC’s system fell within existing OR-ID HIDTA estimates and can be used to further refine estimates of Total-State Production in the future. The analytic models used to evaluate production capacity reflect a snapshot of estimated production capacity between 2015 through 2017. The exponential growth of cannabis cultivators in Oregon following the state-sanctioned legalization means that production capacity for 2018 is all but certainly higher than the models used herein.

Additionally, the inaccessibility to sales figures – an indirect indication of consumption rates in Oregon – makes it difficult to evaluate accurately the current level of cannabis consumption in the state. The decentralization and compartmentalization of state-housed data raised many questions about limited-reporting of reliable information on consumption and production.

Fundamentally, improving existing data sources and fostering emergent data sources and research will improve the collective understanding of state-sanctioned cannabis legalization’s effects in Oregon. The OR-ID HIDTA, with the assistance of key stakeholders and cooperation with state agencies, will continue to evaluate this subject.

Part II – Analytic Models of Cannabis Production and Consumption Oregon

Estimates of average harvest per-plant yield vary widely. Unconfirmed initial data from OLCC indicates that an average per-plant yield of roughly 0.68 kg is reasonable, but limitations in data reduce the accuracy of this approximation. For the purposes of this research, an Average Annual Plant Yield (AAPY) of 1.2 kg (2.64 lb), which is a hybrid model native to this report, was employed. This AAPY accounts for multiple individual harvests throughout a calendar year and the different growth cycles associated with indoor, greenhouse, and outdoor cultivation systems. This model was developed on the heels of an expansive literature review from independent research bodies, cannabis community forums, and other publicly available information.^{1,2} Central among these sources was extensive work from Jonathan P. Caulkins at RAND’s Drug Policy Research Center, who cites three different indoor cultivation methods, which can annually yield 4.76 kg (10.5 lb) to 207.29 kg (457 lb); crop harvest yield not per-plant.³ Isolating individual factors that contribute to plant yield is challenging, nevertheless, plant genetics, lighting (arguably the single most important element), and grower technique all play a central role in harvest yields.⁴

Understanding the relationship between plant yields and lighting is most apparent in indoor cannabis grows, where there is direct linkage between light wattage and single harvest plant yields.^{5,6} Research indicates that indoor per-plant harvest yields range from 40g to 100g using a 200 watt Compact Florescent Lamps (CFL) in a cubic

meter grow cabinet to 250 g to 1000 g using a 1000 watt High-Pressure Sodium (HSP) in a cultivation space of 5.6 m.⁷ Although outdoor per-plant harvest yields tend to be larger than indoor ones, the inverse is true when comparing average annual per-plant yields as the rapid rate of harvest among indoor grows raises annual output.⁸ The larger per-plant harvest yield in outdoor plants is arguably a result of the bigger plant canopy size; a single rounded plant canopy of 76.2 cm covers roughly 1.5 m³ and research from Jonathan P. Caulkins cites a probably per-plant harvest yield of 1.13 kg.^{9,10}

Additional downward bias was incorporated into this model by calculating production capacity using the mean of Oregon Medical Marijuana Program (OMMP) thresholds for patients, growers, and grow sites, with the underlying assumption that all of these sites are operating at current legal thresholds and in full compliance with program limitations. Namely, this component of over-all state production assumes all OMMP registrants are compliant with the thresholds as outlined by OAR’s 333-008-0080 and 333-008-0025

Further off-setting was done by excluding “house-hold” recreational grows from calculations of state production capacity. Additionally, the lower boundary of production capacity was calculated by taking initial capacity calculations and diminishing it by two-thirds. The factor for multiplying state production was determined by using a mean of 2016 through 2017 OMMP registrant data for patients, growers, and grow sites.¹¹ This research assumes that the Oregon Liquor Control Commission (OLCC) survey conducted in 2014

provides an accurate estimation of growing methods' distribution in Oregon and remains representative of current cultivation preferences.¹² This model could be further refined if data was made available from OLCC on the distribution of licensed producers by tier, average harvest yield, and harvest frequency. The downward bias that suppresses overestimates of production capacity in the current analytic model will be revised to accommodate the exponential growth of production in the state from 2016 through 2018 once reliable information is made available.

This research employs a domestic consumption model that was developed using data collated from Oregon Health Authority, National Survey on Drug Use and Health, Oregon Healthy Teens, Oregon Student Wellness, and Oregon Behavioral Risk Factor Surveillance System to estimate state

cannabis consumption in 2016 and 2017. Data derived from these sources were used to develop an indigenous (unique to this research effort) reasonable dosage unit estimate for cannabis use, which was then multiplied according to the usage rates in pooled surveyed age-groups—effectively creating stratified user demand models. The pooled subgroups were further refined to reflect proportionality according to the larger state population at the time of the survey. By breaking down survey demographics into age ranges and adjusting for the population of Oregon in 2016 and 2017, then calculating consumption of each individual age group using daily dosage unit of 1.2 g (based off research from RAND Corporation in 2013).¹³ This indigenous model was weighted against established research and analysis done by Dr. Seth Crawford and additional published research from RAND Corp, which provide a range of .32g per-joint up to 3.25g per-dosage unit.^{14, 15}

Part III – Analytic Models of Cannabis Value in Oregon and from Oregon

Given the volume of Oregon's estimated annual surplus for 2016 - 2017 was up to 827 tonnes, this analytic model was subsequently used to calculate the value of Oregon's surplus cannabis within external markets. This was calculated after surveying nation-wide user price data for recent cannabis purchases.¹⁶ By employing an analysis of destinations of Oregon diversion data, a weighted price per-gram was formulated to reflect the average national value of Oregon's cannabis.¹⁸ The average price of cannabis in each jurisdiction across the United States and Canada was determined by using active data scrapping of statistically significant self-reported user prices,

cross-referencing DEA pricing information from field offices, and prices retrieved from clandestine drug markets online. Using this methodology, the weighted average for Oregon cannabis on the national informal economy was determined to be USD 10.67 per gram for the time of this publication.^{17, 18} Due to the stratification of illicit distribution networks and need to preserve a return-on-investment for actors involved in the illicit cannabis trade, the total real value of exported cannabis varies widely. Research into the dark-net sales of cannabis indicate that costs are considerably reduced for the end-user, but these could represent a small percentile of the national illicit cannabis trade of Oregon sourced cannabis nationwide.

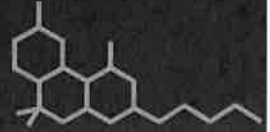
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Oregon – Idaho High Intensity Drug Trafficking Area

4190 Aumsville Hwy, Salem, OR 97317

<http://oridhidta.org/>



MEMORANDUM



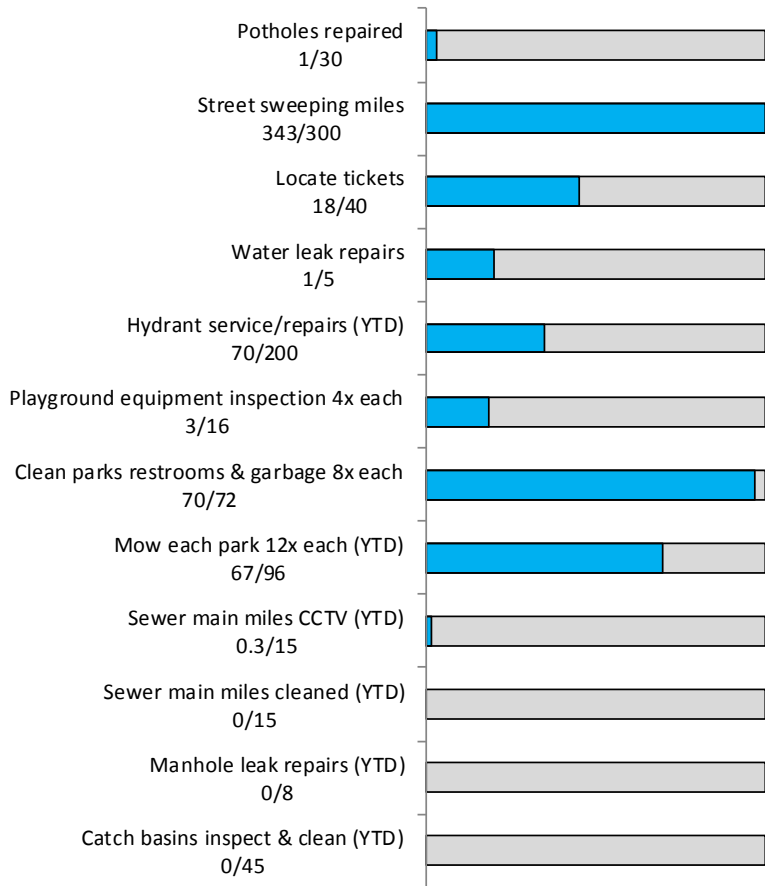
TO: Ray Towry, City Manager
 FROM: Trish Rice, Public Works Engineering
 on behalf of Greg Springman, Public Works Director
 DATE: August 6, 2018
 SUBJECT: Public Works Projects/Activities Report

This memorandum provides a brief periodic update of specific projects and activities performed by Public Works.

Key Performance Indicators (KPI's) Dashboard

This dashboard section summarizes work done on key maintenance activities. Goals will be adjusted over time as workloads shift to keep up with current requirements. Routine activities are tracked monthly. Seasonal activities are tracked on a year-to-date basis and may not reflect work done prior to implementing our new Dude Solutions work order system.

July 2018



Work Orders

Posted:	686
Completed:	584

Top 10 Categories

Water Turn Ons/Offs	85
Bathrooms/Garbage	74
High Grass	47
Park Maintenance	39
Mowing	29
Locates	28
Meter Re-Read	22
Other - Streets	19
Paint/Street Markings	16
Police Department	15

Current & Upcoming Projects

Wastewater Treatment Plant Improvement Project

Scope: Upgrades to equipment & processes for DEQ Compliance.

Status: Staff & design team held video conference scheduled on July 11, 2018 to discuss preliminary design progress. Staff & design team held video conference with Energy Trust of Oregon scheduled on July 16, 2018 to initiate funding discussion. Site visits to The Dalles WWTP and Pendleton WWTP are tentatively scheduled for late August. Project is on schedule.

Dude Solutions - Work Order Management System

Scope: Replace existing PubWorks database with Dude Solutions work order management system.

Status: Software purchased. Training completed in May 2018. Software currently utilized by PW staff. Staff to schedule demonstration for City Council.

Sankey Park BMX Improvements

Scope: Improvement of BMX track infrastructure.

Status: Staff restored fill material inside track, staff mitigated over-grown vegetation, cleaned-up material from tree removal. Staff to order benches, picnic tables, and trash cans.

Parks Irrigation System Improvements

Scope: Inspect and repair existing irrigation systems in Sankey Park, Northside Park, and Ashbrook Park.

Status: Staff completed installation of new irrigation system at Ashbrook Park. Staff has ordered materials to install new irrigation system at Northside Park, east side of Clover Park, and remainder of lower Sankey Park.

2018 Overlay Project

Scope: 2" pavement overlay on 18th Ave, Ames Creek Rd, 45th-46th-47th Aves, & Kalmia St.

Status: Project is in preliminary design.

Weddle Bridge Inspection and Tuning

Scope: Inspect and maintain Weddle Bridge.

Status: Staff has scheduled an inspection of Weddle Bridge to certify structural integrity. Recommendations for tuning the bridge will be provided in a report following the inspection process.

Public Works Facility Security Upgrades

Scope: Install security system at Public Works Facility

Status: Staff installed new security system at Public Works Facility. Staff is making camera adjustments as needed to ensure proper camera coverage of Public Works grounds. Staff is in discussion with an alarm system vendor for the equipment yard.

DEQ - 18th Ave Groundwater Contamination Resolution

Scope: Support DEQ project to resolve neighborhood issue of contaminated groundwater east of 18th Ave and north of Tamarack St.

Status: Project is in predesign by 3rd party.

Air/Vacuum Valve Program

Scope: Locate air/vacuum relief valves on city water system and prioritize recommended maintenance, to resolve distribution issues caused by air pockets.

Status: New valve installed at LakePointe Pump Station. New valve installed at highway by Murphy Mill. Replaced existing dysfunctional valve at 44th Ave. Work will be ongoing.

Water Service Reconnection Program

Scope: On streets with redundant water mains, reconnect water services from old 2" mains to existing new larger mains and abandon redundant 2" mains.

Status: Plans for Elm St service reconnections are complete & ready for bid.

10th Ave Reservoir Leak & SCADA Relocation

Scope: Resolve water loss issue from leaking 1938 reservoir and relocate SCADA equipment to newer reservoir.

Status: Staff is obtaining quotes from contractors to replace the broken isolation valve that controls the reservoir. The SCADA contractor is preparing a quote for relocating equipment onto the newest reservoir on 10th Ave which will provide better level data at low storage levels and allow continuance of data connection while the old reservoir is isolated/evaluated.

Linn Shuttle Bus Shelters

Scope: Support Linn Shuttle grant project to install bus shelters at highway locations.

Status: Linn Shuttle has retained a contractor for installation and has ordered the shelters. Staff is assisting with the ODOT application.



August 1, 2018

Ray Towry
City Manager
City of Sweet Home
1140 12th Avenue
Sweet Home, OR 97386

Dear Mr. Towry,

We are committed to keeping you and our customers abreast of the expiration of upcoming programming agreements. We regularly inform our customers in their bills and annual notices that we maintain a website (www.xfinitytv.com/contractrenewals) and toll-free number ((866) 216-8634) that are updated regularly to provide notice of the programming contracts that are set to expire in the coming months and the channels we might lose the rights to continue carrying.

As part of our ongoing commitment to keep you informed, we wanted to update you that Comcast's right to continue carrying beIN Sports' beIN and beIN en Español expired on July 31, 2018. As a result, we lost authorization to continue carrying these beIN networks as part of our lineup on August 1, 2018.

We want to carry these beIN Sports networks and provide our customers with the best value for beIN programming. To date, however, beIN Sports has been unwilling to provide an agreement that would enable us to carry its content in a way that reflects the value of these networks in a very competitive marketplace.

Since we lost authorization to carry this beIN Sports programming, we are preparing to activate www.ComcastFacts.com to help keep our customers informed during this period. We will continue to provide updates to you and our customers as we work to reach an agreement with beIN.

Sincerely,

Tim Goodman
Director, Government & Regulatory Affairs