RESOLUTION NO. 1018

A RESOLUTION ACCEPTING THE GRANT OFFER OF THE STATE OF OREGON THROUGH THE OREGON DEPARTMENT OF AVIATION IN THE MAXIMUM AMOUNT OF $20,000 TO BE USED UNDER THE FINANCIAL AID TO MUNICIPALITIES PROGRAM PROJECT NO. FAM 06-0014 FOR IMPROVEMENTS AT THE PRINEVILLE AIRPORT
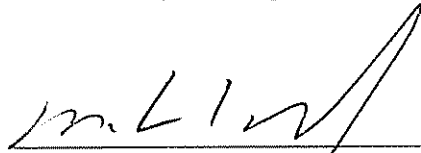
BE IT RESOLVES THE PEOPLE OF THE CITY OF PRINEVILLE OREGON AS FOLLOWS:

Section 1. That the City of Prineville shall accept the Grant Offer of the State of Oregon in the amount of $20,000 for the purpose of obtaining State Aid under Project No. FAM 06-0014 for improvements of the Prineville Airport; and

Section 2 That the City of Prineville has hereby authorized and directed Dorless Reid to sign the Statement of Acceptance of said Grant Offer on behalf of the City of Prineville, and the City Manager is hereby authorized and directed to attest the signature of Dorless Reid and to impress the official seal of the City of Prineville on the aforesaid Statement of Acceptance, and

Section 3. A true copy of the Grant Offer referred to herein is attached hereto and made a part hereof.

Adopted by the Prineville City Council this 23rd day of August, 2005.

_____
Mike K. Wendel, Mayor

_____
Robb Corbett, City Manager

CERTIFICATE

I, Robb Corbett, City Manager for the City of Prineville, Oregon do hereby certify that the attached copy is a full, true, and correct copy of Resolution No. 1018 adopted at a regular meeting of the Council of the City of Prineville held on the 23rd day of August, 2005, and that the same is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the official seal of the City of Prineville this 23rd of August, 2005.

Robb Corbett, City Manager

STATE OF OREGON
DEPARTMENT OF AVIATION

FINANCIAL AID TO MUNICIPALITIES GRANT AGREEMENT

This AGREEMENT is made and entered into by and between the STATE OF OREGON, acting by and through its Department of Aviation, hereinafter referred to as "Aviation", and the **City of Prineville,** hereinafter referred to as the "Municipality."

RECITALS:

WHEREAS, the Municipality has submitted to the State a request for a Financial Aid to Municipalities Program project, for **construction of new taxiway north of runway 10/28, reconstruction of taxiway from fuel apron to Runway 28** for **Prineville Airport**, together with plans and specifications for such project, is hereby incorporated by reference and made a part of this grant agreement, Exhibit A; and

By the authority granted in ORS 190.110, state agencies may enter into agreements with units of local government for the performance of any or all functions and activities that a party to the agreement, its officers, or agents have the authority to perform.

By the authority granted in ORS 836.025, Aviation may, out of money available for this purpose, plan, establish, construct, enlarge, improve, maintain, equip, operate, regulate, protect and police airports. Aviation may exercise this power jointly with any municipalities or agencies of the state government, other states or their municipalities, or the United States, by authority granted in ORS 836.040.

By the authority granted in ORS 836.015, Aviation may render financial assistance by grant or loan or both to any municipality or municipalities acting jointly in the planning, acquisition, construction, improvement, maintenance or operation of an airport owned or controlled by, or to be owned or controlled by such municipality.

NOW, THEREFORE, in consideration of (a) the Municipality's adoption and ratification of the representations and assurances contained in its project application, and its acceptance of this offer as hereinafter provided, and (b) the benefits to accrue to the State of Oregon and the public from the accomplishment of the project and the operation and maintenance of the airport as herein provided, it is agreed by and between the parties as follows:

TERMS OF AGREEMENT

The maximum obligation of the State payable under this grant shall be **$20,000.** The FAM grant match requirements are based on the airport's category as listed in the current Oregon Aviation Plan. **Prineville Airport** is a Category **4** Airport, with a match of **10%.**

This agreement shall become effective on the date all required signatures are obtained and shall remain in effect until completion, or until **June 30, 2006**, whichever event occurs first.

Municipality Obligations:

1. Municipality must carry out and complete the project in accordance with the plans and specifications and property map, incorporated herein, as they may be revised or modified with the approval of the State. Municipality shall notify Aviation in writing of changes in the project activities prior to performing any changes and will not perform any changes with out written approval from Aviation.

2. Municipality must certify that this project was bid competitively in accordance with bidding procedures for public contracts involving construction.

3. Aviation will not disburse grant monies to the Municipality for this airport project until:

   a) In the case of a "force account" project, the project is completed and an itemized statement for the cost of materials along with an itemized statement of labor and equipment costs have been submitted to the State.

   b) All labor rates and equipment costs must be preapproved by the State. Labor and equipment hourly rates shall not include overhead.

4. Municipality must spend or obligate money allocated for projects within the fiscal year for which allocated or Aviation may withdraw the allocation.

5. In accepting Financial Aid to Municipalities Program funds, the Municipality agrees that during the lifetime of this agreement, it shall not grant any exclusive right for the use of the airport, improvements or services at the airport.

6. Municipality must maintain and operate the airport as an airport in a usable, safe, and orderly manner at all times for a period of at least 20 years. Further, all income derived from the airport shall be deposited in an airport account and these funds shall be used only for operation, maintenance or capital improvement of the airport.

7. Municipality is responsible for all costs and expenses related to its employment of individuals to perform the work under this agreement, including but not limited to retirement contributions, workers' compensation, unemployment taxes, and State and Federal income tax withholding.

8. Municipality shall, to the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, hold Aviation harmless from liability for any costs, fees or expenses that may be incurred in the performance of this agreement.

9. Municipality agrees and understands that in acting under this agreement and under any subcontracts entered into under this agreement, it will comply with all applicable federal, state, and local laws, regulations, executive orders and ordinances applicable to the work including, but not limited to, the provisions of ORS 279.314,

279.316, 279.320, and 279,555, incorporated herein by reference and made a part of this agreement.

GENERAL PROVISIONS

Aviation Obligations:

1. Aviation will reimburse eligible costs incurred by Municipality in carrying out the project subject to the amounts shown in the project application, Exhibit A. Such reimbursement shall not exceed the Agreement Amount.

2. Aviation certifies at the time this agreement is executed, that sufficient funds are available and authorized for expenditure to finance costs of this agreement within Aviation's current appropriation or limitation of current biennial budget. Municipality understands and agrees that Aviation's payment of amounts after the last day of the current biennium is contingent on Aviation's receiving authorization from the Legislative Assembly to continue to finance costs of this agreement.

3. Aviation reserves the right to withhold payment of funds if there are unresolved audit findings, or inadequate information concerning Municipality's project activities. Aviation reserves the right to reallocate any portion of the Agreement Amount, which, based on its estimate, will not be used by Recipient.

4. The allowable costs of the project shall not include any costs determined by the State to be ineligible for consideration. Allowances will not be granted for land values for previously acquired land, value of buildings or other improvements, airport operations and maintenance expenses such as expenditures for wages or salaries, utilities, services vehicles, and all other non-capital expenditures comprised of items such as: insurance premiums, professional services (except for engineering of proposed airport capital improvements under FAM Program), supplies, construction equipment, upkeep and landscaping, and such other items of expenditure which may be properly designated as "operations and maintenance."

5. The parties, Municipality's or Aviation's subcontractors, if any, and all employers working under this agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers.

6. Performance of this agreement shall not be subcontracted in whole or in part, except with the written consent of Aviation. Municipality shall not assign this agreement in whole, or in part or any right, privilege, duty or obligation hereunder, without the prior written consent of Aviation.

7. This agreement shall incorporate and shall be subject to the applicable terms and conditions specified in Aviation's administrative rules, as they are amended from time to time.

8. Inspection Schedule and Reporting System:

Except for those projects receiving both State and Federal Aid, the following inspection schedule and reporting system is required. The Inspection Schedule will be placed on a quarterly basis. On projects taking less than three (3) months, the Municipality must make reports and be inspected on the following schedule:
a) Municipality report project commencement date.
b) Municipality report project completion date and request final inspection.
c) State will make final inspection and sign off project as completed.
d) State will require Municipality to submit verification of all expenditures to substantiate partial and final payment.

TERMINATION

1. Parties' Right to Terminate for Convenience. This agreement may be terminated by mutual written consent of both parties.

2. Aviation's Right to Terminate for Convenience. Aviation may, at its sole discretion, terminate this agreement, in whole or in part, upon thirty days written notice to Municipality.

3. Aviation's Right to Terminate for Cause. Aviation may terminate, in whole or in part, immediately upon notice to Municipality, or at such later date as Aviation may establish in such notice, upon the occurrence of any of the following events:

   a. If Municipality fails to provide services or funds called for by this agreement within the time specified herein or any extension thereof.

   b. If Municipality 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 Aviation fails to correct such failures within 10 days or such longer period as Aviation may authorize.

   c. If Federal or state laws, regulations or guidelines are modified or interpreted in such a way that the work by Municipality under this agreement is no longer allowable or is no longer eligible for funding proposed by this Agreement.

   d. Both parties agree that continuation of the project would not produce results that are commensurate with the further expenditure of funds.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures the day and year written below.

[For any grant agreement that is over $100,000.00]

REVIEWED FOR AVIATION

BY: _____N/A_____Date_____
    Assistant Attorney General

                                    State of Oregon
                                    Department of Aviation

                                    By:_____
                                            Charles H. Riordan
                                    Title: State Airports Manager

                                    Date: _____

                                    ___City of Prineville_____
                                        (Name of Municipality)

                                    By:_/MW UUf_____

                                    Title:_City Mgr_____

                                    Date: _8-26-05_____