Falls City Oregon City Council Meeting

Monday, March 3, 2025 at 6:00 pm

Meeting Location

320 N Main St • Falls City, OR 97344

How to Attend and/or Participate

1. In Person: 320 N Main St. Falls City, OR 97344

2. Call-in: a. 1-253-215-8782 b. Meeting ID: 878 7406 4319
   You will be muted but may “raise your hand” to indicate you wish to comment.

3. Web Application: Zoom Webinar https://us06web.zoom.us/j/87874064319
   You will be muted but may “raise your hand” to indicate you wish to comment during Public Comments.

4. Write-In: Using regular mail or email. a. info@fallscityoregon.gov; 299 Mill St. Falls City, OR 97344

The City of Falls City does not discriminate in providing access to its programs, services, and activities on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, physical or mental disability, or any other inappropriate reason prohibited by law or policy of the state or federal government. Should a person need special accommodations or interpretation services, contact the City at 503.787.3631 at least one working day prior to the need for services and every reasonable effort to accommodate the need will be made.

1. **CALL TO ORDER & ROLL CALL**
   Mayor TJ Bailey, Council President Houghtaling, Councilor Nick Backus, Councilor Tony Meier, Councilor Tia Scruton, Councilor Dennis Sickles, Councilor Lori Jean Sickles

2. **PLEDGE OF ALLEGIANCE**
3. **ANNOUNCEMENTS, APPOINTMENTS, APPRECIATIONS, & PROCLAMATIONS**
4. **CHEMEKETA CAREER & TECHNICAL EDUCATION BOND PRESENTATION**
5. **PUBLIC COMMENTS & LETTER COMMUNICATIONS**
   In order to encourage an environment of openness, courtesy and respect for differing points of view, please refrain from behavior that is disruptive to the meeting such as making loud noises, clapping, shouting, booing, or any other activity that disrupts the orderly conduct of the meeting. Abusive

language will not be tolerated.

Please limit your commentary to 3 minutes or less.

6. **PUBLIC HEARINGS**

   Public comment will be allowed in items appearing on the section of the agenda following a brief staff report representing the item and action requested.

   a. **LA 2025-01: FEMA Flood Plain Code Revisions**

      Attachments:

      - **Draft Code** (C2_First_Draft_of_Code_Amendments_to_Falls_City.pdf)
      - **Exhibit B** (C3_Exhihit_B_-_BM_56_Public_Hearing_Notice_for_LA_25-01_-_Falls_City_-_FEMA-FIRM-ESA_Integration.pdf)
      - **Staff Report** (C1_LA_25-01_staff_report_for_first_hearing_of_3-3-25.pdf)

7. **CONSENT AGENDA**

   a. **February 3, 2025 Minutes**

      Attachments:

      - **Minutes** (2025.02.03_Council_Minutes.pdf)

8. **REPORTS OR COMMENTS FROM MAYOR AND COUNCIL MEMBERS**

   a. **Mayor's Report**

   b. **Councilor Comments**

   c. **Historic Landmark Committee Report**

      Attachments:

      - **Minutes** (Landmark_02-4-25.pdf)

9. **REPORTS FROM CITY MANAGER & STAFF**

   a. **City Manager's Report**

      Attachments:

      - **Report** (2025.03.03_Monthly_Manager_s_Report.pdf)

   b. **2023-2024 Audit**

      Attachments:

      - **Audit** (City_of_Falls_City_financial_statements_2024.pdf)

   c. **Republic Services RMA Funding**

      Attachments:

      - **Staff Report** (2025.03.03_SR_Republic_Services_RMA_Funding_Authorization.pdf)
      - **Exhibit A** (RMA_Exhibit_A.pdf)
      - **Exhibit B** (RMA_Exhibit_B.pdf)
      - **Exhibit C** (RMA_Exhibit_C.pdf)
      - **Exhibit D** (RMA_Exhibit_D_DEQ_Factsheet.pdf)
      - **Exhibit E** (RMA_Exhibit_E_Survey_2023.pdf)

10. **RESOULTIONS**
    a. **Resolution 03-2025**

Attachments:

- **Staff Report** (2025.03.03_SR_Oversized_Vehicle_Parking_Ban_Penalty.pdf)
- **Res 03-2025** (Resolution_03-2025_-_Oversized_Vehicle_Parking_Ban_Penalty.pdf)

11. **GOOD OF THE ORDER**
12. **ADJOURN**

Posted for Public at the City Hall Bulletin Board, Community Center, Falls City Website, Falls City Market, LCB Bulletin Board, and City Facebook page

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Contact: Jeremy Teal, City Recorder (jteal@fallscityoregon.gov 503.787.3631) | Agenda published on 02/27/2025 at 2:06 PM

"*****" (where shown) indicates a skip (i.e., existing code between that is not shown and is not proposed for change). Yellow highlighted indicates proposed for new and ~~blue strike-through~~ indicates proposed removal. Staff notes / options to consider are shown highlighted in grey [in box].

2.200 GENERAL DEVELOPMENT STANDARDS

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2.205 STANDARDS FOR AREAS WITH BUILDING LIMITATIONS

2.205.01 PURPOSE

The purpose of this Section is to

A. Promote the public health, safety and general welfare;

B. Minimize public and private losses due to natural hazards resulting from geologic, soils, topographic and/or flood conditions;

C. To minimize expenditure of public money and costly flood control projects;

D. To minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;

E. To minimize prolonged business interruptions;

F. To minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets, and bridges located in areas of special flood hazard;

G. To help maintain a stable tax base by providing for the sound use and development of areas of special flood hazard so as to minimize future flood blight areas; and

H. To ensure that potential buyers are notified that property is in an area of special flood hazard.

Staff Note: All existing code definitions in subsection 2.205.02 (following pages) are solely related to *Standards for Special Flood Hazard Area* and are unrelated to standards for developing on steep slopes (described in 2.205). Existing definitions to this part of the Fall City code reflect an older adopted version of the FEMA model code. The new / updated FEMA model code includes many of the same definitions, some of which have been updated / introduced for ESA integration purposes. Staff recommends moving definitions to Section 2.205.06 (*Standards for Special Flood Hazard Area*).

~~2.205.02 DEFINITIONS~~

~~Unless specifically defined below, words or phrases in this section shall be interpreted to give them the same meaning as they have in common usage and to give this classification its most reasonable application. Where conflicts exist between definitions listed below and the General Definitions provided in Section 1.200 of this Ordinance, the definitions of this subsection shall be used in lieu of the General Definition with respect to the provisions of this subsection.~~

~~Appeal: A request for a review of the interpretation of any provision of this ordinance or a request for a variance.~~

~~Area of Special Flood Hazard: The land in the flood plain within a community subject to a one (1) percent or greater chance of flooding in any given year. Designation on flood rate insurance maps always includes the letters A or V.~~

~~Base flood: The flood having a (one) 1 percent chance of being equaled or exceeded in any given year. Also referred to as the 100-year flood plain. Designation on flood insurance rate maps always includes the letters A or V.~~

~~Basement: The area of the building having its floor subgrade (below ground level) on all sides.~~

~~Conveyance: Refers to the carrying capacity of all or a part of the flood plain. It reflects the quantity and velocity of flood waters. Conveyance is measured in cubic feet per second (cfs). If the flow is 30,000 cfs at a cross section, this means that 30,000 cubic feet of water pass through the cross section each second.~~

~~Development: Any man-made change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation, or drilling operations or storage equipment or materials located within the area of special flood hazard.~~

~~Exception: A grant of relief from the requirements of this subsection which permits construction in a manner that would otherwise be prohibited by the provisions of this subsection.~~

~~Fill: Any material such as, but not limited to, sand, gravel, soil, rock or gravel that is placed in a wetland or floodplain for the purposes of development or redevelopment.~~

~~Flood or Flooding: A general and temporary condition of partial or complete inundation of usually dry land areas from:~~

~~1. The overflow of inland or tidal waters and/or~~

~~2. The unusual and rapid accumulation of runoff of surface waters from any source.~~

~~Flood Insurance Rate Map (FIRM): The official map on which the Federal Insurance Administration has delineated both the areas of special flood hazards (flood plain) and the risk premium zones applicable to the community and is on file with the City of Falls City.~~

~~Flood Insurance Study (FIS): The official report provided by the Federal Insurance Administration that includes flood profiles, the Flood Boundary-Floodway Map, and the water surface elevation of the base flood.~~

~~Flood Plain: Lands within the City that are subject to a one (1) percent or greater chance of flooding in any given year as identified on the official zoning maps of the City of Falls City. It is usually the flat area of land adjacent to a stream or river formed by previous floods.~~

~~Floodproofing: A combination of structural or non-structural provisions, changes, or adjustment to structures, land or waterways for the reduction or elimination of flood damage to properties, water and sanitary facilities, structures and contents of buildings in a flood hazard area.~~

~~Floodway: The channel of a river or other watercourse and the adjacent land areas reserved to discharge the 100-year flood without cumulatively increasing the water surface elevation of the 100-year flood more than one foot.~~

~~Floodway Fringe: The area of the flood plain lying outside of the floodway as delineated on the Flood Insurance Rate Map where encroachment by development will not increase the flood elevation more than one foot during the occurrence of the base flood discharge.~~

~~Lowest Floor: The lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, usable solely for parking of vehicles, building access or storage, in an area other than a basement area, is not considered a building's lowest floor, provided that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of this Ordinance.~~

~~Manufactured Home: A structure, transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when connected to the required utilities. The term "manufactured home" does not include a "recreational vehicle."~~

~~New construction: Any structures for which the "start of construction" commenced on or after the effective date of this Ordinance.~~

~~Obstruction: A physical object which hinders the passage of water.~~

~~Recreational Vehicle: A vehicle which is:~~

~~1. Built on a single chassis;~~

~~2. 400 square feet or less when measured at the largest horizontal projection;~~

~~3. Designed to be self-propelled or permanently towable by a light-duty truck; and~~

~~4. Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.~~

~~Severe Development Limitation Soils: Those soils in Falls City rated by the Soil Survey of Polk County as having severe development limitations. These severe limitations are due to low soil strength, relatively steep slope, shrink-swell characteristics, flood hazards, seasonal high water table, high landslide potential, and shallow depth to bedrock.~~

~~Start of construction: Includes substantial improvement, and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, placement or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers or foundation or the erection of temporary forms; nor does it include the installation on the property of accessory buildings such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.~~

~~Structure: A walled and roofed building including a gas or liquid storage tank that is principally above ground.~~

~~Substantial Damage: Damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.~~

~~Substantial Improvement: Any repair, reconstruction or improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure either:~~

~~1. Before the improvement or repair is started; or~~

~~2. If the structure has been damaged and is being restored, before the damage occurred. For purposes of this definition, "substantial improvement" is considered to occur when the first alteration of any wall, ceiling, floor or other structural part of the building commences whether or not that alteration affects the external dimensions of the structures.~~

~~The term does not include:~~

~~3. Any project for improvements of a structure to comply with existing State or local health, sanitary or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe livings conditions;~~

~~4. Any alteration of a structure listed on the National Register of Historic Places or State Inventory of Historic Places.~~

~~Utility Facilities: Buildings, structures or any constructed portion of a system which provides for the production, transmission, conveyance, delivery or furnishing of services including, but not limited to, heat, light, water, power, natural gas, sanitary sewer, stormwater, telephone, and cable television. Utility facilities do not include stormwater pre-treatment facilities.~~

2.205.03 AREA OF APPLICATION

The standards in this section apply to new development in those areas within the city limits of Falls City which are identified on the Building Limitations Map in the Falls City Comprehensive Plan, which is included as Exhibit A of this section.

These areas include the following:

A. Areas identified on the Building Limitations Map in the Comprehensive Plan as having:

1. Soils identified by the Natural Resources Service as having "Severe" building site development due to: Steep slopes; landslide hazard; poor drainage; erosion hazard; low stability; high water table; and/or high shrink-swell potential.

2. Slopes equal to or in excess of 25 percent grade.

3. Proximity to perennial or intermittent streams draining 50 or more acres.

B. "Area~~s~~ of Special Flood Hazards", as defined herein.

2.205.04 ADMINISTRATION

The City Recorder or Recorder's designee is hereby appointed to administer and implement this section. Duties of the City Recorder or Recorder's designee shall include, but not be limited to:

A. Review all development permits to determine that the permit requirements of this ordinance have been satisfied.

B. Review all development permits to determine that all necessary permits have been obtained from those Federal, State, or local governmental agencies from which prior approval is required.

C. Review all development proposals to determine if the proposed development is located in an area of special flood hazard. If located in the floodway, assure that the encroachment provisions of Section 2.205.06~~(I)~~ are met.

D. Review all development proposals to determine if the proposed development is located in an area of those soils rated with severe development limitations in the Soil Survey of Polk County, and/or slopes greater than or equal to 25 percent on any soil type.

2.205.05 STANDARDS FOR SEVERE DEVELOPMENT LIMITATIONS AREA

A. The purpose of this section is to protect life and property from geologic, topographic, and soils hazards.

B. The Severe Development Limitations Area is comprised of those soils rated with severe development limitations in the Soil Survey of Polk County, and/or slopes greater than or equal to 25 percent on any soil type.

C. No development, including utility facilities and stormwater pre-treatment facilities, shall occur within the Severe Development Limitation Area identified in Subsections 2.205.05(A) and (B), above, except in accordance with the provisions of this subsection.

D. Site Design Review, pursuant to the provisions of Section 3.203, shall be required for all new development proposals within the Severe Development Limitation Area. In the event of utility facilities, storm water pre-treatment facilities, subdivision or Planned Unit Development proposals within the Severe Development Limitation Area, Site Design Review for compliance with this subsection shall be combined with the review process for the subdivision or Planned Unit Development. No separate Site Design Review application or base fee shall be required for such combined reviews.

E. In addition to the submittal requirements of Site Design Review, the applicant shall submit a report prepared by a registered professional soils engineer or engineering geologist. This report shall describe:

1. The nature, distribution and strength of soils, slopes greater than or equal to 25 percent, and springs within the subject area.

2. Findings regarding the adequacy of the soils to support the intended types of structures or uses and an assessment of mass wasting hazards due to springs.

3. Findings that the construction of the structures, utility facilities, including but not limited to stormwater detention and retention structures, and planned uses will not destabilize conditions elsewhere in the City.

4. Recommendations, if necessary, of construction measures required to adequately mitigate the potential soil, slope hazard, or mass wasting hazards due to springs on- and off-site.

5. If necessary, a grading plan and erosion control measures adequate to minimize on-site and off-site impacts as described in Section 2.206.

F. If the Planning Commission determines that the geology report adequately addresses concerns for public safety from the applicable slope, soil, or spring hazard, and that other applicable provisions of this Ordinance are satisfied, the application shall be approved. The Planning Commission may attach such conditions to the approval as are necessary to assure the public safety with respect to the hazard.

2.205.06 STANDARDS FOR SPECIAL FLOOD HAZARD AREA

~~A. Findings of Fact~~

~~1. The flood hazard areas of Falls City are subject to periodic inundation which results in loss of life and property, health, and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base, all of which adversely affect the public health, safety, and general welfare.~~

~~2. These flood losses are caused by the cumulative effect of obstructions in areas of special flood hazards which increase flood heights and velocities and, when inadequately anchored, damage uses in other areas. Uses that are inadequately floodproofed, elevated, or otherwise protected from flood damage also contribute to the flood loss.~~

~~B. The purpose of this section is to:~~

~~1. Restrict or prohibit uses which are dangerous to health, safety, and property due to water or erosion hazards or which result in damaging increases in erosion or in flood heights or velocities.~~

~~2. Minimize expenditure of public money for flood control projects, and rescue and relief efforts in areas subject to flooding.~~

~~3. Minimize flood damage to new construction by elevating or floodproofing all structures.~~

~~4. Control the alteration of natural flood plains, stream channels, and natural protective barriers which hold, accommodate or channel flood waters.~~

~~5. Control filling, grading, dredging and other development which may be subject to or increase flood damage.~~

~~6. Prevent or regulate the construction of flood barriers which may increase flood hazards in other areas.~~

~~7. Comply with the requirements of the Federal Insurance Administration to qualify the City of Falls City for participation in the National Flood Insurance Program.~~

~~8. Minimize flood insurance premiums paid by the citizens of the City of Falls City by reducing potential hazards due to flood damage.~~

~~9. Implement the flood plain policies in the City of Falls City Comprehensive Plan.~~

~~10. Minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in areas of specific flood hazard;~~

~~11. Help maintain a stable tax base by providing for the sound use and development of areas of flood hazard so as to minimize future flood blight areas;~~

~~12. Ensure that potential buyers are notified that property is in an area of special flood hazard;~~

~~13. Ensure that those who occupy the areas of special flood hazard assume responsibility for their actions; and~~

~~14. Implement the policies of the Comprehensive Plan regarding development in flood hazard areas.~~

~~C. Methods of Reducing Flood Losses~~

~~In order to accomplish its purposes, this subsection of this Ordinance includes methods and provisions for:~~

~~1. Restricting or prohibiting uses which are dangerous to health, safety, and property due to water or erosion hazards, or which result in damaging increases in erosion or in flood heights or velocities;~~

~~2. Requiring that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;~~

~~3. Controlling the alteration of natural flood plains, stream channels, and natural protective 'barriers, which help accommodate or channel waters;~~

~~4. Controlling filling, grading, dredging, and other development which may increase flood damage; and~~

~~5. Preventing or regulating the construction of flood barriers which will unnaturally divert flood waters or may increase flood hazards in other areas.~~

~~D. General Provisions:~~

~~1. Basis for Establishing the Areas of Special Flood Hazard:~~

~~The areas of Special Flood Hazard identified by the Federal Insurance Administration in a scientific and engineering report entitled "The Flood Insurance Study for Polk County, Oregon and Incorporated Areas," dated December 19, 2006, with accompanying Flood Insurance Maps are hereby adopted by reference and declared to be a part of this Ordinance. The Flood Insurance Rate Map is on file at City Hall, Falls City, Oregon. The best available information for flood hazard area identification as outlined in Section 2.205.06(E)(4) shall be the basis for regulation until a new FIRM is issued which incorporates the data utilized under Section 2.205.06(E)(4).~~

~~2. Penalties for Noncompliance:~~

~~No structure or land shall hereafter be constructed, located, extended, converted or altered without full compliance with the terms of this subsection and other applicable regulations. Violation of the provisions of this subsection by failure to comply with any of its requirements (including violation of conditions and safeguards established in connection with conditions) shall constitute a misdemeanor and shall be subject to the fines and penalties set forth in Section 1.103.~~

~~3. Annulment and Greater Restrictions. This subsection is not intended to repeal, annul or impair any existing easements, covenants or deed restrictions. However, where conflicts exist between a provision of this subsection and another section of this Ordinance, another ordinance, easement, covenant or deed restriction, whichever imposes the most stringent restrictions shall prevail.~~

~~4. Interpretation. In the interpretation and application of this Section, all provisions shall be:~~

~~a. Considered as minimum requirements;~~

~~b. Liberally construed in favor of the governing body; and,~~

~~c. Deemed neither to limit nor repeal any other powers granted under State statutes.~~

~~5. Warning and Disclaimer of Liability:~~

~~The degree of flood protection required by this overlay zone is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur on occasion. Flood heights may be increased by artificial or natural causes. This Ordinance does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages. This Ordinance shall not create liability on the part of the City of Falls City, any officer or employee thereof, or the Federal Insurance Administration for any flood damages that result from reliance on this subsection or any administrative decision lawfully made thereunder.~~

~~E. Flood plain Development Permit~~

~~1. Flood plain Development Permit Required. A Development Permit shall be obtained before construction or development begins within any area of Special Flood Hazard established in Subsection 2.205.06(D)(1). The permit shall be for all structures, including manufactured homes, as set forth in the "Definitions", and for all development including fill and other activities, also set forth in the "Definitions" section.~~

~~2. Application for Flood plain Development Permit. Application for a Development Permit shall be made and reviewed in accordance with the procedures set forth in Type I-B procedures of Section 3.104. Application for a Development Permit shall be made on forms furnished by the City and shall include the following minimum information:~~

~~a. Scaled plans showing the nature, location, dimensions and elevations of the area in question;~~

~~b. Location of existing structures, fill, storage areas, and drainage facilities;~~

~~c. Elevation, in relation to mean sea level, of the lowest floor (including basement) of all structures;~~

~~d. Elevation, in relation to mean sea level, to which any structure has been floodproofed;~~

~~e. Certification by a registered professional engineer or architect that the floodproofing methods for any nonresidential structure meet the floodproofing criteria in subsection 2.205.06(G)(2);~~

~~f. Description of the extent to which any watercourse will be altered or relocated as a result of proposed development;~~

~~g. A topographic map of the site at contour intervals of two (2) feet or less showing a delineation of the Special Flood Hazards Area;~~

~~h. An inventory and location of existing debris and noxious materials.~~

~~3. Permit Review: Review of Flood Plain Development Permit applications shall be by the Planning Commission. Flood Plain Development Permit applications are Type I-B actions and shall be reviewed against the following criteria:~~

~~a. Review to ensure that the permit requirements of this subsection have been satisfied;~~

~~b. Review to determine that all necessary permits have been obtained from those Federal, State or local governmental agencies from which prior approval is required; and~~

~~c. Review all development permits to determine if the proposed development is located in the floodway. If located in the floodway, review shall assure that the encroachment provisions of subsection 2.205.06(I)(1) are met.~~

~~4. Use of Other Base Flood Data:~~

~~When base flood elevation data and floodway data have not been provided in accordance with subsection 2.205.06(D)(1), the applicant, with the assistance of the City Recorder, or designee, shall obtain, review, and reasonably utilize any base flood elevation, floodway data, or evidence available from a Federal, State or other source in order to determine compliance with the flood protection standards. If data is insufficient, the City Recorder, or designee, may require that the applicant provide data derived by standard engineering methods.~~

~~5. Information to be Obtained and Maintained:~~

~~The City Recorder shall obtain from the applicant and maintain the following information:~~

~~a. Where base flood elevation data is provided through the Flood Insurance Study and Flood Insurance Rate Map or required as in Subsection 2.205.06(E)(4), obtain and record the actual elevation (in relation to mean sea level) of the lowest floor (including basement) of all new or substantially improved structures, and whether or not the structure contains a basement.~~

~~b. For all new or substantially improved floodproofed structures where base flood elevation data is provided through the Flood Insurance Study, FIRM, or as required in Section 2.205.06(E)(4):~~

~~i. verify and record the actual elevation to which the structure was flood-proofed (in relation to mean sea level), and~~

~~ii. maintain the floodproofing certifications required in Subsection 2.205.06(E)(2)(c).~~

~~c. Maintain for public inspection all records pertaining to the provisions of this Ordinance.~~

~~Prior to occupancy the applicant shall provide a FEMA elevation certificate signed by a licensed surveyor or civil engineer certifying that the actual elevation (in relation to mean sea level) of the lowest floor (including basement) of all new or substantially improved manufactured homes and structures meets the requirements of Subsection 2.205.06(G).~~

~~6. Alteration of Watercourses~~

~~a. Notify adjacent communities and the Department of Land Conservation and Development prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Insurance Administration.~~

~~b. Require that maintenance is provided within the altered or relocated portion of said watercourse so that the flood carrying capacity is not diminished.~~

~~7. Interpretation of FIRM Boundaries~~

~~Make interpretations where needed, as to exact location of the boundaries of the areas of special flood hazards (for example, where there appears to be a conflict between a mapped boundary and actual field conditions). The person contesting the location of the boundary shall be given a reasonable opportunity to appeal the interpretation as provided in Section 2.205.06(E)(8).~~

~~8. Exception Procedure:~~

~~a. The Planning Commission shall hear and decide requests for exceptions to the requirements of this subsection. Requests for such exceptions shall be included in the application information submitted with the request for the Flood Plain Development Permit.~~

~~b. In passing upon such applications, the Planning Commission shall consider all technical evaluations, all relevant factors, standards specified in other sections of this Ordinance, and:~~

~~i. the danger that materials may be swept onto other lands to the injury of others;~~

~~ii. the danger to life and property due to flooding or erosion damage;~~

~~iii. the susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;~~

~~iv. the importance of the services provided by the proposed facility to the community;~~

~~v. the necessity to the facility of a waterfront location, where applicable;~~

~~vi. the availability of alternative locations for the proposed use which are not subject to flooding or erosion damage;~~

~~vii. the compatibility of the proposed use with existing and anticipated development;~~

~~viii. the relationship of the proposed use to the Comprehensive Plan and flood plain management program for that area;~~

~~ix. the safety of access to the property in times of flood for ordinary and emergency vehicles;~~

~~x. the expected heights, velocity, duration, rate of rise, and sediment transport of the flood waters and the effects of wave action, if applicable, expected at the site; and,~~

~~xi. the costs of providing governmental services during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical, and water systems, and streets and bridges.~~

~~c. Upon consideration of the factors of Subsection 2.205.06(E)(6)(b) and the purposes of this subsection, the Planning Commission may attach such conditions to the granting of exceptions as it deems necessary to further the purposes of this subsection.~~

~~9. Conditions for Exceptions:~~

~~a. Generally, the only condition under which an exception from the elevation standard may be issued is for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing items (i-xi) in Subsection 2.205.06(E)(8) have been fully considered. As the lot size increases, the technical justification required for issuing the variance increases.~~

~~b. Exceptions may be issued for the reconstruction, rehabilitation, or restoration of structures listed on the National Register of Historic Places or~~

~~the State Inventory of Historic Places, without regard to the procedures set forth in this subsection.~~

~~c. Exceptions shall not be issued within a designated floodway if any increase in flood levels during the base flood discharge would result.~~

~~d. Exceptions shall only be issued upon a determination that the exception is the minimum necessary, considering the flood hazard, to afford relief.~~

~~e. Exceptions shall only be issued upon:~~

~~i. a showing of good and sufficient cause;~~

~~ii. a determination that failure to grant the exception would result in exceptional hardship to the applicant;~~

~~iii. a determination that the granting of an exception will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.~~

~~f. Exceptions, as interpreted in the National Flood Insurance Program, are based on the general zoning law principle that they pertain to a physical piece of property; they are not personal in nature and do not pertain to the structure, its inhabitants, economic or financial circumstances. They primarily address small lots in densely populated residential neighborhoods. As such, exceptions from the flood elevations should be quite rare.~~

~~g. Exceptions may be issued for nonresidential buildings in very limited circumstances to allow a lesser degree of floodproofing than watertight or dry-floodproofing, where it can be determined that such action will have low damage potential, complies with all other exception criteria except for Subsection 2.205.06(E)(9)(a), and otherwise complies with subsections 2.205.06(F)(1) and 2.205.06(F)(2) of the General Standards.~~

~~h. Any applicant to whom an exception is granted shall be given written notice that the structure will be permitted to be built with a lowest floor elevation below the base flood elevation and that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced lowest floor elevation.~~

~~i. The City shall maintain the records of all exception actions and shall report any such exceptions to the Federal Insurance Administration upon request.~~

~~j. Exceptions may not be issued to increase the maximum allowed size of residential accessory structures within areas of special flood hazards.~~

~~10. Appeals of Planning Commission Actions~~

~~Planning Commission actions on Flood Plain Development Permits, and/or exceptions pursuant to 2.205.06(E)(8) and (9) above, may be appealed to the City Council in accordance with the appeal procedures set Section 3.104 of this ordinance.~~

~~F. General Provisions for Flood Hazard Reduction:~~

~~In all areas of special flood hazards, the following standards are required:~~

~~1. Anchoring:~~

~~a. All new construction and substantial improvements shall be anchored to prevent flotation, collapse, or lateral movement of the structure.~~

~~b. All manufactured homes must likewise be anchored to prevent flotation, collapse or lateral movement, and shall be installed using methods and practices that minimize flood damage. Anchoring methods may include, but are not limited to, use of over-the-top or frame ties to ground anchors (Reference FEMA's "Manufactured Home Installation in Flood Hazard Areas" guidebook for additional techniques).~~

~~2. Construction Materials and Methods:~~

~~a. All new construction and substantial improvements shall be constructed with materials and utility equipment resistant to flood damage.~~

~~b. All new construction and substantial improvements shall be constructed using methods and practices that minimize flood damage.~~

~~c. Electrical, heating, ventilation, plumbing, and air conditioning equipment and other service facilities shall be designed and/or otherwise elevated or located so as to prevent water from entering or accumulating within the components during conditions of flooding.~~

~~3. Utilities:~~

~~a. All new and replacement water supply systems shall be designed to minimize or eliminate infiltration of flood waters into the system;~~

~~b. New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of flood waters into the systems and discharge from the systems into flood waters; and~~

~~c. On-site waste disposal systems shall be located to avoid impairment to them or contamination from them during flooding.~~

~~4. Subdivision Proposals:~~

~~a. All subdivision proposals shall be consistent with the need to minimize flood damage;~~

~~b. All subdivision proposals shall have public utilities and facilities such as sewer, gas, electrical and water systems located and constructed to minimize flood damage;~~

~~c. All subdivision proposals shall have adequate drainage provided to reduce exposure to flood damage; and~~

~~d. Where base flood elevation data has not been provided or is not available from another authoritative source, it shall be generated for subdivision proposals and other proposed developments which contain at least 50 lots or five (5) acres (whichever is less).~~

~~5. Review of Building Permits~~

~~Where elevation data is not available, either through a Flood Insurance Study or from another authoritative source (Subsection 2.205.06(E)(4)), applications for building permits shall be reviewed to assure that proposed construction will be reasonably safe from flooding. The test of reasonableness is a local judgment and includes the use of historical data, high water marks, photographs of past flooding, etc., where available. Failure to elevate at least two (2) feet above grade in these zones may result in higher insurance rates.~~

~~C. Specific Standards for Flood Hazard Reduction:~~

~~1. Residential construction.~~

~~a. New construction and substantial improvement of any residential structure shall have the lowest floor, including basement, elevated one foot above base flood elevation.~~

~~b. Fully enclosed areas below the lowest floor that are subject to flooding are prohibited, or shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement must either be certified by a registered professional engineer or architect or must meet or exceed the following minimum criteria:~~

~~i. A minimum of 2 openings having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding shall be provided.~~

~~ii. The bottom of all openings shall be no higher than one foot above grade.~~

~~iii. Openings may be equipped with screens, louvers, or other coverings or devices provided that they permit the automatic entry and exit of floodwaters.~~

~~c. Crawlspace Construction. Below-grade crawlspaces are allowed subject to the following standards as found in Technical Bulletin 11-01, *Crawlspace Construction for Buildings Located in Special Flood Hazard Areas*:~~

~~i. The building must be designed and adequately anchored to resist flotation, collapse, and lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy. Hydrostatic loads and the effects of buoyancy can usually be addressed through the required openings stated in Section 2.205.06(G)(1)(c)(ii). Because of hydrodynamic loads, crawlspace construction is not allowed in areas with flood velocities greater than five (5) feet per second unless the design is reviewed by a qualified design professional, such as a registered architect or professional engineer. Other types of foundations are recommended for these areas.~~

~~ii. The crawlspace is an enclosed area below the base flood elevation (BFE) and, as such, must have openings that equalize hydrostatic pressures by allowing the automatic entry and exit of floodwaters. The bottom of each flood vent opening can be no more than one (1) foot above the lowest adjacent exterior grade.~~

~~iii. Portions of the building below the BFE must be constructed with materials resistant to flood damage. This includes not only the foundation walls of the crawlspace used to elevate the building, but also any joists, insulation, or other materials that extend below the BFE. The recommended construction practice is to elevate the bottom of joists and all insulation above BFE.~~

~~iv. Any building utility systems within the crawlspace must be elevated above BFE or designed so that floodwaters cannot enter or accumulate within the system components during flood conditions. Ductwork, in particular, must either be placed above the BFE or sealed from floodwaters.~~

~~v. The interior grade of a crawlspace below the BFE must not be more than two (2) feet below the lowest adjacent exterior grade.~~

~~vi. The height of the below-grade crawlspace, measured from the interior grade of the crawlspace to the top of the crawlspace foundation wall must not exceed four (4) feet at any point. The height limitation is the maximum allowable unsupported wall height according to the engineering analyses and building code requirements for flood hazard areas.~~

~~vii. There must be an adequate drainage system that removes floodwaters from the interior area of the crawlspace. The enclosed area should be drained within a reasonable time after a flood event. The type of drainage system will vary because of the site gradient and other drainage characteristics, such as soil types. Possible options include natural drainage through porous, well-drained soils and drainage systems such as perforated pipes, drainage tiles or gravel or crushed stone drainage by gravity or mechanical means.~~

~~viii. The velocity of floodwaters at the site should not exceed five (5) feet per second for any crawlspace. For velocities in excess of five (5) feet per second, other foundation types should be used.~~

~~d. Residential Accessory Structures. No single residential accessory structure located within areas of special flood hazard shall exceed 500 square feet in size. The size of residential accessory structures located within areas of special flood hazard is a non-variable standard.~~

~~2. Nonresidential construction.~~

~~New construction and substantial improvement of any commercial, industrial or other nonresidential structure shall either have the lowest floor, including basement, elevated to the level of the base flood elevation or, together with attendant utility and sanitary facilities, shall:~~

~~a. Be floodproofed so that below the base flood level the structure is watertight with walls substantially impermeable to the passage of water.~~

~~b. Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy.~~

~~c. Be certified by a registered professional engineer or architect that the design and methods of construction are in accordance with accepted standards of practice for meeting provisions of this subsection based on their development and/or review of the structural design, specifications and plans.~~

~~d. Nonresidential structures that are elevated but not floodproofed must meet the same standards for space below the lowest floor as described in Subsection 2.205.06(G)(1)(b).~~

~~e. Applicants floodproofing nonresidential buildings shall be notified that flood insurance premiums will be based on rates that are one foot below the floodproofed level (e.g. a building constructed to the base flood level will be rated as one foot below that level).~~

~~f. Below grade crawlspaces are allowed subject to the standards found in Section 2.205.06(G)(1)(c).~~

~~3. Manufactured Homes.~~

~~All manufactured homes to be placed or substantially improved within Zones Al-30, AH, and AE shall be elevated on a permanent foundation such that the lowest floor of the manufactured home is one foot above the base flood elevation and be securely anchored to an adequately anchored foundation system in accordance with the provisions of Subsection 2.205.06(F)(1)(b).~~

~~4. Recreational Vehicles~~

~~Recreational vehicles placed on sites within Zones AH, and AE on the community's FIRM either:~~

~~a. Be on the site for fewer than 180 consecutive days,~~

~~b. Be fully licensed and ready for highway use, on its wheels or jacking system, is attached to the site only by quick disconnect type utilities and security devices, and has no permanently attached additions; or~~

~~c. Meet the requirements of Subsection 2.205.06(G)(3) and the elevation and anchoring requirements for manufactured homes.~~

~~H. Before Regulatory Floodway.~~

~~In areas where a regulatory floodway has not been designated, no new construction, substantial improvements, or other development (including fill) shall be permitted within~~

~~Zones AE on the city's FIRM, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the community.~~

~~I. Floodways.~~

~~Located within areas of special flood hazard are areas designated as floodways. Since the floodway is an extremely hazardous area due to the velocity of flood waters which carry debris, potential projectiles, and erosion potential; the following provisions shall apply:~~

~~1. Encroachments, including fill, new construction, substantial improvements and other development, shall be prohibited unless certification by a registered engineer or architect is provided demonstrating through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachments shall not result in any increase in flood levels during the occurrence of the base flood discharge.~~

~~2. If Subsection 2.205.06(I)(1) is satisfied, all new construction and substantial improvements shall comply with all applicable flood hazard reduction provisions of subsections 2.205.06(F), and (G).~~

~~J. Uses Permitted~~

~~If otherwise allowed in the zone, dwellings, a manufactured home on a lot, a manufactured home in a manufactured home park, and other structures that involve a building permit may be allowed subject to approval of a Flood Plain Development Permit provided the following requirements are met:~~

~~1. The structure is not located within a floodway.~~

~~2. The required elevation to which the lowest floor of the structure must be elevated can be determined from the Flood Insurance Study.~~

~~3. The structures will be located on natural grade or compacted fill.~~

~~4. The lowest floor will be elevated to one foot above the level of the base flood elevation and the anchoring requirements in Subsection 2.205.06(F)(1).~~

~~5. The Building Official has determined that any construction and substantial improvements meet the requirements of Section 2.205.06.~~

~~6. The building permit specifies the required elevation of the lowest floor, any anchoring requirements and requires provision of certification under Subsection 2.205.06(E)(5).~~

~~7. A FEMA elevation certificate signed by a licensed surveyor or civil engineer certifying that the lowest floor including basement, is at or above the specific minimum is submitted to the City Recorder prior to use of the structure.~~

~~8. No alteration of topography beyond the perimeter of the structure is proposed.~~

A. Purpose.

The purpose of this section is to promote public health, safety, and general welfare, and to minimize public and private losses due to flooding in special flood hazard areas by provisions designed to:

1. Protect human life and health;
2. Minimize expenditure of public money for costly flood control projects;
3. Preserve natural and beneficial floodplain functions;
4. Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
5. Minimize prolonged business interruptions;
6. Minimize damage to public facilities and utilities such as water and gas mains; electric, telephone and sewer lines; and streets and bridges located in special flood hazard areas;
7. Help maintain a stable tax base by providing for the sound use and development of flood hazard areas so as to minimize blight areas caused by flooding;
8. Notify potential buyers that the property is in a special flood hazard area;
9. Notify those who occupy special flood hazard areas that they assume responsibility for their actions;
10. Participate in and maintain eligibility for flood insurance and disaster relief.

B. Methods of Reducing Flood Losses.

In order to accomplish its purposes, this ordinance includes methods and provisions for:

1. Restricting or prohibiting development which is dangerous to health, safety, and property due to water or erosion hazards, or which result in damaging increases in erosion or in flood heights or velocities;

2. Requiring that development vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;

3. Controlling the alteration of natural floodplains, stream channels, and natural protective barriers, which help accommodate or channel flood waters;

4. Controlling filling, grading, dredging, and other development which may increase flood damage;

5. Preventing or regulating the construction of flood barriers which will unnaturally divert flood waters or may increase flood hazards in other areas.

6. Employing a standard of "no net loss" of natural and beneficial floodplain functions.

C. Definitions.

For development within the special flood hazard area, the following terms, words or phrases shown shall be interpreted so as to give them the meaning they have in common usage.

Appeal: A request for a review of the interpretation of any provision of this ordinance or a request for a variance.

Area of shallow flooding: A designated Zone AO, AH, AR/AO or AR/AH on a community's Flood Insurance Rate Map (FIRM) with a one percent or greater annual chance of flooding to an average depth of one to three feet where a clearly defined channel does not exist, where the path of flooding is unpredictable, and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow.

Area of special flood hazard: The land in the floodplain within a community subject to a 1 percent or greater chance of flooding in any given year. It is shown on the Flood Insurance Rate Map (FIRM) as Zone A, AO, AH, A1-30, AE, A99, AR. "Special flood hazard area" is synonymous in meaning and definition with the phrase "area of special flood hazard."

Base flood: The flood having a one percent chance of being equaled or exceeded in any given year.

Base flood elevation (BFE): The elevation to which floodwater is anticipated to rise during the base flood.

Basement: Any area of the building having its floor subgrade (below ground level) on all sides.

Development: Any man-made change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials.

Fill: Placement of any materials such as soil, gravel, crushed stone, or other materials that change the elevation of the floodplain. The placement of fill is considered "development."

Fish Accessible Space: The volumetric space available to fish to access.

Fish Egress-able Space: The volumetric space available to fish to exit or leave from.

Flood or Flooding:

(a) A general and temporary condition of partial or complete inundation of normally dry land areas from:
(1) The overflow of inland or tidal waters.
(2) The unusual and rapid accumulation or runoff of surface waters from any source.
(3) Mudslides (i.e., mudflows) which are proximately caused by flooding as defined in paragraph (a)(2) of this definition and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water and deposited along the path of the current.

(b) The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels or suddenly caused by an unusually high water level in a natural body of water, accompanied by a severe storm, or by an unanticipated force of nature, such as flash flood or an abnormal tidal surge, or by some similarly unusual and unforeseeable event which results in flooding as defined in paragraph (a)(1) of this definition.

Flood elevation study: an examination, evaluation and determination of flood hazards and, if appropriate, corresponding water surface elevations, or an examination, evaluation and determination of mudslide (i.e., mudflow) and/or flood-related erosion hazards.

Flood Insurance Rate Map (FIRM): The official map of a community, on which the Federal Insurance Administrator has delineated both the special hazard areas and the risk premium zones applicable to the community. A FIRM that has been made available digitally is called a Digital Flood Insurance Rate Map (DFIRM).

Flood Insurance Study (FIS): See "Flood elevation study."

Floodway: The channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. Also referred to as "Regulatory Floodway."

Functionally Dependent Use: A use which cannot perform its intended purpose unless it is located or carried out in proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

Green Infrastructure: Use of natural or human-made hydrologic features to manage water and provide environmental and community benefits. Green infrastructure uses management approaches and technologies that use, enhance, and/or mimic the natural hydrologic cycle processes of infiltration, evapotranspiration, and reuse. At a large scale, it is an interconnected network of green space that conserves natural systems and provides assorted benefits to human populations. At a local scale, it manages stormwater by infiltrating it into the ground where it is generated using vegetation or porous surfaces, or by capturing it for later reuse. Green infrastructure practices can be used to achieve no net loss of pervious surface by creating infiltration of stormwater in an amount equal to or greater than the infiltration lost by the placement of new impervious surface.

Habitat Restoration Activities: Activities with the sole purpose of restoring habitats that have only temporary impacts and long-term benefits to habitat. Such projects cannot include ancillary structures such as a storage shed for maintenance equipment, must demonstrate that no rise in the BFE would occur as a result of the project and obtain a CLOMR and LOMR, and have obtained any other required permits (e.g., CWA Section 404 permit).

Hazard Trees: Standing dead, dying, or diseased trees or ones with a structural defect that makes it likely to fail in whole or in part and that present a potential hazard to a structure or as defined by the community.

Highest adjacent grade: The highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

Historic structure: Any structure that is:

(a) Listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
(b) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;
(c) Individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of Interior; or
(d) Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:
    (1) By an approved state program as determined by the Secretary of the Interior or
    (2) Directly by the Secretary of the Interior in states without approved programs.

Hydraulically Equivalent Elevation: A location (e.g., a site where no net loss standards are implemented) that is approximately equivalent to another (e.g., the impacted site) relative to the same 100-year water surface elevation contour or base flood elevation. This may be estimated based on a point that is along the same approximate line perpendicular to the direction of flow.

Hydrologically Connected: The interconnection of groundwater and surface water such that they constitute one water supply and use of either results in an impact to both.

Impervious Surface: A surface that cannot be penetrated by water and thereby prevents infiltration and increases the amount and rate of surface water runoff, leading to erosion of stream banks, degradation of habitat, and increased sediment loads in streams. Such surfaces can accumulate large amounts of pollutants that are then "flushed" into local water bodies during storms and can also interfere with recharge of groundwater and the base flows to water bodies.

Low Impact Development: An approach to land development (or redevelopment) that works with nature to manage stormwater as close to its source as possible. It employs principles such as preserving and recreating natural landscape features and minimizing effective imperviousness to create functional and appealing site drainage that treats stormwater as a resource rather than a waste product. Low Impact Development refers to designing and implementing practices that can be employed at the site level to control stormwater and help replicate the predevelopment hydrology of the site. Low impact development helps achieve no net loss of pervious surface by infiltrating stormwater in an amount equal to or greater than the infiltration lost by the placement of new impervious surface. LID is a subset of green infrastructure.

Lowest floor: The lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, usable solely for parking of vehicles, building access or storage in an area other than a basement area is not considered a building's lowest floor, provided that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of this ordinance.

Manufactured dwelling: A structure, transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term "manufactured dwelling" does not include a "recreational vehicle" and is synonymous with "manufactured home."

Manufactured dwelling park or subdivision: A parcel (or contiguous parcels) of land divided into two or more manufactured dwelling lots for rent or sale.

Mean Higher-High Water: The average of the higher-high water height of each tidal day observed over the National Tidal Datum Epoch.

Mean sea level: For purposes of the National Flood Insurance Program, the National Geodetic Vertical Datum (NGVD) of 1929 or other datum, to which Base Flood Elevations shown on a community's Flood Insurance Rate Map are referenced.

New construction: For floodplain management purposes, "new construction" means structures for which the "start of construction" commenced on or after the effective date of a floodplain management regulation adopted by the City of Falls City and includes any subsequent improvements to such structures.

No Net Loss: A standard where adverse impacts must be avoided or offset through adherence to certain requirements so that there is no net change in the function from the existing condition when a development application is submitted to the state, tribal, or local jurisdiction. The floodplain functions of floodplain storage, water quality, and vegetation must be maintained.

Offsite: Mitigation occurring outside of the project area.

Onsite: Mitigation occurring within the project area.

Ordinary High Water Mark: The line on the shore established by the fluctuations of water and indicated by physical characteristics such as a clear, natural line impressed on the bank; shelving; changes in the character of soil; destruction of terrestrial vegetation; the presence of litter and debris; or other appropriate means that consider the characteristics of the surrounding areas.

Qualified Professional: Appropriate subject matter expert that is defined by the community.

Reach: A section of a stream or river along which similar hydrologic conditions exist, such as discharge, depth, area, and slope. It can also be the length of a stream or river (with varying conditions) between major tributaries or two stream gages, or a length of river for which the characteristics are well described by readings at a single stream gage.

Recreational vehicle: A vehicle which is:

(a) Built on a single chassis;

(b) 400 square feet or less when measured at the largest horizontal projection;

(c) Designed to be self-propelled or permanently towable by a light duty truck; and

(d) Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

Riparian: Of, adjacent to, or living on, the bank of a river, lake, pond, or other water body.

Riparian Buffer Zone (RBZ): The outer boundary of the riparian buffer zone is measured from the ordinary high water line of a fresh waterbody (lake; pond; ephemeral, intermittent, or perennial stream) or mean higher-high water line of a marine shoreline or tidally influenced river reach to 170 feet horizontally on each side of the stream or 170 feet inland from the MHHW. The riparian buffer zone includes the area between these outer boundaries on each side of the stream, including the stream channel. Where the RBZ is larger than the special flood hazard area, the no net loss standards shall only apply to the area within the special flood hazard area.

Riparian Buffer Zone Fringe: The area outside of the RBZ and floodway but still within the SFHA.

Silviculture: The art and science of controlling the establishment, growth, composition, health, and quality of forests and woodlands.

Special flood hazard area: See "Area of special flood hazard" for this definition.

Start of construction: Includes substantial improvement and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement, or other improvement was within 180 days from the date of the permit. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured dwelling on a foundation. Permanent construction does not include land preparation, such as clearing, grading, and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers, or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

Structure: For floodplain management purposes, a walled and roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured dwelling.

Substantial damage: Damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

Substantial improvement: Any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either:

(a) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions; or

(b) Any alteration of a "historic structure," provided that the alteration will not preclude the structure's continued designation as a "historic structure."

Undeveloped Space: The volume of flood capacity and fish-accessible/egress-able habitat from the existing ground to the Base Flood Elevation that is undeveloped. Any form of development including, but not limited to, the addition of fill, structures, concrete structures

(vaults or tanks), pilings, levees and dikes, or any other development that reduces flood storage volume and fish accessible/egress-able habitat must achieve no net loss.

Variance: A grant of relief by City of Falls City from the terms of a floodplain management regulation.

Violation: The failure of a structure or other development to be fully compliant with the community's floodplain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in this ordinance is presumed to be in violation until such time as that documentation is provided.

D. Applicability.

1. Lands to which this Ordinance applies: This ordinance shall apply to all special flood hazard areas within the jurisdiction of the City of Falls City, Polk County, Oregon.
2. Basis for Establishing the Areas of Special Flood Hazard. The special flood hazard areas identified by the Flood Insurance Rate Map (FIRM) for the City of Falls City, dated December 19, 2006, is hereby adopted by reference and declared to be part of this chapter. The FIRM is on file at City Hall. The best available information for flood hazard area identification as outlined herein, shall be the basis for regulation until a new FIRM is issued.
3. Coordination with State of Oregon Specialty Codes. Pursuant to the requirement established in ORS 455 that the City of Falls City administers and enforces the State of Oregon Specialty Codes, the City of Falls City does hereby acknowledge that the Oregon Specialty Codes contain certain provisions that apply to the design and construction of buildings and structures located in special flood hazard areas. Therefore, this ordinance is intended to be administered and enforced in conjunction with the Oregon Specialty Codes.
4. Compliance. All development within special flood hazard areas is subject to the terms of this ordinance and required to comply with its provisions and all other applicable regulations.
5. Penalties for Noncompliance. No structure or land shall hereafter be constructed, located, extended, converted, or altered without full compliance with the terms of this ordinance and other applicable regulations. Violations of this ordinance are subject to enforcement by the City of Falls City.
6. Abrogation. This ordinance is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this ordinance and another ordinance, easement, covenant, or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail.
7. Severability. This ordinance and the various parts thereof are hereby declared to be severable. If any section clause, sentence, or phrase of the Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way effect the validity of the remaining portions of this Ordinance.

8. Interpretation. In the interpretation and application of this ordinance, all provisions shall be:
   a. Considered as minimum requirements;
   b. Liberally construed in favor of the governing body; and
   c. Deemed neither to limit nor repeal any other powers granted under state statutes.

E. Warning and disclaimer of liability

1. Warning. The degree of flood protection required by this ordinance is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur on rare occasions. Flood heights may be increased by man-made or natural causes. This ordinance does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages.

2. Disclaimer of liability. This ordinance shall not create liability on the part of the City of Falls City, any officer or employee thereof, or the Federal Insurance Administrator for any flood damages that result from reliance on this ordinance or any administrative decision lawfully made hereunder.

F. Administration.

1. Designation of the Floodplain Administrator. The City Manager is hereby appointed to administer, implement, and enforce this ordinance by granting or denying development permits in accordance with its provisions. The Floodplain Administrator may delegate authority to implement these provisions.

2. Duties and Responsibilities of the Floodplain Administrator. Duties of the floodplain administrator, or their designee, shall include, but not be limited to:

   a. Permit Review. Review of all floodplain development permits to:

      i. Determine that the permit requirements of this ordinance have been satisfied;

      ii. Determine that all other required local, state, and federal permits have been obtained and approved;

      iii. Determine if the proposed development is in a floodway. If located in the floodway: (a) assure that the floodway provisions of this ordinance in subsection I are met; and (b) determine if the proposed development is in an area where Base Flood Elevation (BFE) data is available either through the Flood Insurance Study (FIS) or from another authoritative source. If BFE data is not available, then ensure compliance with the provisions of subsection I; and provide to building officials the Base Flood Elevation (BFE) applicable to any building requiring a floodplain development permit.

iv. Determine if the proposed development qualifies as a substantial improvement as defined in subsection C.

v. Determine if the proposed development activity is a watercourse alteration. If a watercourse alteration is proposed, ensure compliance with the provisions in subsection I.

vi. Determine if the proposed development activity includes the placement of fill or excavation.

vii. Determine whether the proposed development activity complies with the no net loss standards in subsection K.

3. Information to be obtained and maintained. The following information shall be obtained and maintained and shall be made available for public inspection as needed:

a. The actual elevation (in relation to mean sea level) of the lowest floor (including basements) and all attendant utilities of all new or substantially improved structures where Base Flood Elevation (BFE) data is provided through the Flood Insurance Study (FIS), Flood Insurance Rate Map (FIRM), or obtained in accordance with subsection I (use of other base flood elevation data).

b. The elevation (in relation to mean sea level) of the natural grade of the building site for a structure prior to the start of construction and the placement of any fill and ensure that the requirements of subsections F and G are adhered to.

c. Upon placement of the lowest floor of a structure (including basement) but prior to further vertical construction, documentation, prepared and sealed by a professional licensed surveyor or engineer, certifying the elevation (in relation to mean sea level) of the lowest floor (including basement).

d. Where base flood elevation data are utilized, As-built certification of the elevation (in relation to mean sea level) of the lowest floor (including basement) prepared and sealed by a professional licensed surveyor or engineer, prior to the final inspection.

e. Maintain all Elevation Certificates (EC) submitted to the community.

f. The elevation (in relation to mean sea level) to which the structure and all attendant utilities were floodproofed for all new or substantially improved floodproofed structures where allowed under this ordinance and where Base Flood Elevation (BFE) data is provided through the FIS, FIRM, or obtained in accordance with subsection I.

g. All floodproofing certificates required under this ordinance.

h. All variance actions, including justification for their issuance.

i. All hydrologic and hydraulic analyses performed as required under subsection I.

j. All Substantial Improvement and Substantial Damage calculations and determinations as required under subsection F.

k. Documentation of how no net loss standards have been met (see subsection K).

l. All records pertaining to the provisions of this ordinance.

4. Requirement to notify other entities and submit new technical data.

a. Community Boundary Alterations. The Floodplain Administrator shall notify the Federal Insurance Administrator in writing whenever the boundaries of the community have been modified by annexation or the community has otherwise assumed authority or no longer has authority to adopt and enforce floodplain management regulations for a particular area, to ensure that all Flood Hazard Boundary Maps (FHBM) and Flood Insurance Rate Maps (FIRM) accurately represent the community's boundaries. Include within such notification a copy of a map of the community suitable for reproduction, clearly delineating the new corporate limits or new area for which the community has assumed or relinquished floodplain management regulatory authority.

b. Watercourse Alterations. The Floodplain Administrator shall notify adjacent communities, the Department of Land Conservation and Development, and other appropriate state and federal agencies, prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Insurance Administration. This notification shall be provided by the applicant to the Federal Insurance Administration as a Letter of Map Revision (LOMR) along with either:
   i. A proposed maintenance plan to assure the flood carrying capacity within the altered or relocated portion of the watercourse is maintained; or
   ii. Certification by a registered professional engineer that the project has been designed to retain its flood carrying capacity without periodic maintenance.

   The applicant shall be required to submit a Conditional Letter of Map Revision (CLOMR) when required under subsection K. Ensure compliance with all applicable requirements in subsections I and K.

c. Requirement to Submit New Technical Data. A community's base flood elevations may increase or decrease resulting from physical changes affecting flooding conditions. As soon as practicable, but not later than six months after the date such information becomes available, a community shall notify the Federal Insurance Administrator of the changes by submitting technical or scientific data in accordance with Title 44 of the Code of Federal Regulations (CFR), Section 65.3. The community may require the applicant to submit such data and review fees required for compliance with this section through the applicable FEMA Letter of Map Change (LOMC) process. The Floodplain Administrator shall require a Conditional Letter of Map Revision prior to the issuance of a floodplain development permit for:

i. Proposed floodway encroachments that increase the base flood elevation; and
ii. Proposed development which increases the base flood elevation by more than one foot in areas where FEMA has provided base flood elevations but no floodway.
An applicant shall notify FEMA within six (6) months of project completion when an applicant has obtained a Conditional Letter of Map Revision (CLOMR) from FEMA. This notification to FEMA shall be provided as a Letter of Map Revision (LOMR).

d. Substantial Improvement and Substantial Damage Assessments and Determinations. Conduct Substantial Improvement (SI) (as defined in subsection C) reviews for all structural development proposal applications and maintain a record of SI calculations within permit files in accordance with subsection F. Conduct Substantial Damage (SD) (as defined in subsection C) assessments when structures are damaged due to a natural hazard event or other causes. Make SD determinations whenever structures within the special flood hazard area (as established in subsection E) are damaged to the extent that the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

G. Floodplain Development Permit

1. Floodplain Development Permit Required. A floodplain development permit shall be obtained before construction or development begins within any area horizontally within the special flood hazard area. The floodplain development permit shall be required for all structures, including manufactured dwellings, and for all other development, as defined in subsection C, including fill and other development activities.
2. Application for Floodplain Development Permit. Application for a floodplain development permit may be made on forms furnished by the Floodplain Administrator and may include, but not be limited to, plans drawn to scale showing the nature, location, dimensions, and elevations of the area in question; existing or proposed structures, fill, storage of materials, drainage facilities, and the location of the foregoing. Specifically, the following information is required:
   a. In riverine flood zones, the proposed elevation (in relation to mean sea level), of the lowest floor (including basement) and all attendant utilities of all new and substantially improved structures; in accordance with the requirements of subsection F.
   b. Proposed elevation in relation to mean sea level to which any non-residential structure will be floodproofed.
   c. Certification by a registered professional engineer or architect licensed in the State of Oregon that the floodproofing methods proposed for any non-residential structure meet the floodproofing criteria for non-residential structures in subsection I.
   d. Description of the extent to which any watercourse will be altered or relocated.
   e. Base Flood Elevation data for subdivision proposals or other development when required.
   f. Substantial improvement calculation for any improvement, addition, reconstruction, renovation, or rehabilitation of an existing structure.

g. The amount and location of any fill or excavation activities proposed.

H. Variance Procedure.

1. Eligibility. A variance as described in this section is for floodplain management purposes only. Flood insurance premium rates are determined by federal statute according to actuarial risk and will not be modified by the granting of a variance.

2. Conditions that warrant Variance approval.

   a. Generally, variances may be issued for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level. As the lot size increases beyond one-half acre, the technical justification required for issuing a variance increases.

   b. Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

   c. Variances shall not be issued within any floodway if any increase in flood levels during the base flood discharge would result.

   d. Variances shall only be issued upon finding:
      i. A showing of good and sufficient cause;
      ii. A determination that failure to grant the variance would result in exceptional hardship to the applicant; and,
      iii. A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing laws or ordinances.

   e. Variances may be issued by a community for new construction and substantial improvements and for other development necessary for the conduct of a functionally dependent use provided that the criteria of this section are met, and the structure or other development is protected by methods that minimize flood damages during the base flood and create no additional threats to public safety.

   f. Variances shall not be issued unless it is demonstrated that the development will not result in net loss of the following proxies for the three floodplain functions in the SFHA: undeveloped space; pervious surface; or trees 6 inches dbh or greater (see Section K and associated options in Table 1).

3. Variance Notification and Process. A proposal to vary Floodplain Management standards herein is subject to the Type III process and Variance fee established at the time of application submittal. Any applicant to whom a variance is granted shall be given written notice that the issuance of a variance to construct a structure below the Base Flood Elevation

will result in increased premium rates for flood insurance and that such construction below the base flood elevation increases risks to life and property. Such notification and a record of all variance actions, including justification for their issuance shall be maintained in accordance with subsection F.

I. Provisions for Flood Hazard Reduction.

1. General Standards. In all special flood hazard areas, the no net loss standards (see subsection K) and the following standards shall be adhered to:

   a. Alteration of Watercourses. Require that the flood carrying capacity within the altered or relocated portion of said watercourse is maintained. Require that maintenance is provided within the altered or relocated portion of said watercourse to ensure that the flood carrying capacity is not diminished. Require compliance with subsection F.

   b. Anchoring. All new construction and substantial improvements shall be anchored to prevent flotation, collapse, or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy. All manufactured dwellings shall be anchored per subsection J.

   c. Construction Materials and Methods. All new construction and substantial improvements shall be constructed with materials and utility equipment resistant to flood damage. All new construction and substantial improvements shall also be constructed using methods and practices that minimize flood damage.

   d. Water Supply, Sanitary Sewer, and On-Site Waste Disposal Systems. All new and replacement water supply systems shall be designed to minimize or eliminate infiltration of flood waters into the system. New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of flood waters into the systems and discharge from the systems into flood waters. On-site waste disposal systems shall be located to avoid impairment to them or contamination from them during flooding consistent with the Oregon Department of Environmental Quality.

   e. Electrical, Mechanical, Plumbing, and Other Equipment. Electrical, heating, ventilating, air-conditioning, plumbing, duct systems, and other equipment and service facilities shall be elevated at or above the base flood level or shall be designed and installed to prevent water from entering or accumulating within the components and to resist hydrostatic and hydrodynamic loads and stresses, including the effects of buoyancy, during conditions of flooding. In addition, electrical, heating, ventilating, air- conditioning, plumbing, duct systems, and other equipment and service facilities shall meet all the requirements of this section if replaced as part of a substantial improvement.

   f. Tanks. Underground tanks shall be anchored to prevent flotation, collapse and lateral movement under conditions of the base flood. Above-ground tanks shall be installed at or above the base flood level or shall be anchored to prevent flotation, collapse, and lateral movement under conditions of the base flood.

g. Subdivision proposals and other proposed developments.

i. All new subdivision proposals and other proposed new developments (including proposals for manufactured dwelling parks and subdivisions) greater than 50 lots or 5 acres, whichever is the lesser, shall include within such proposals Base Flood Elevation data.

Staff Note in Response to this Model Code Standard: Certain subdivision applications will fall below the threshold description (above) at 50 lots or 5 acres, whichever is the lesser. Also, staff observe BFE data to be unknown in most parts of the city (i.e., as "A" zone is shown to the FIRM).

Council may consider for adoption – a lower threshold for BFA data and require a flood study to determine location of the BFE on-site if unknown.

ii. All new subdivision proposals and other proposed new developments (including proposals for manufactured dwelling parks and subdivisions) shall:

(a) Be consistent with the need to minimize flood damage.
(b) Have public utilities and facilities such as sewer, gas, electrical, and water systems located and constructed to minimize or eliminate flood damage.
(c) Have adequate drainage provided to reduce exposure to flood hazards.
(d) Comply with no net loss standards in subsection K.

h. Use of Other Base Flood Elevation Data.

i. When Base Flood Elevation data has not been provided in accordance with subsection D, the local floodplain administrator shall obtain, review, and reasonably utilize any Base Flood Elevation data available from a federal, state, or other source, in order to administer subsection I. All new subdivision proposals and other proposed new developments (including proposals for manufactured dwelling parks and subdivisions) must meet the requirements of subsection I.

ii. Base Flood Elevations shall be determined for development proposals that are 5 acres or more in size or are 50 lots or more, whichever is lesser in any A zone that does not have an established base flood elevation. Development proposals located within a riverine unnumbered A Zone shall be reasonably safe from flooding; the test of reasonableness includes use of historical data, high water marks, FEMA provided Base Level Engineering data, and photographs of past flooding, etc., where available. Failure to elevate at least two feet above grade in these zones may result in higher insurance rates.

Staff Note in Response to this Model Code Standard: Same note as above. Most subdivisions will fall below the threshold description (above) at 50 lots or 5 acres, whichever is the lesser.

i. Structures Located in Multiple or Partial Flood Zones. In coordination with the State of Oregon Specialty Codes:

i. When a structure is located in multiple flood zones on the community's Flood Insurance Rate Maps (FIRM) the provisions for the more restrictive flood zone shall apply.

ii. When a structure is partially located in a special flood hazard area, the entire structure shall meet the requirements for new construction and substantial improvements.

J. Specific Standards for Riverine Flood Zones.

These specific standards shall apply to all new construction and substantial improvements in addition to the General Standards contained in subsection I of this ordinance and the no net loss standards (subsection K).

1. Flood Openings. All new construction and substantial improvements with fully enclosed areas below the lowest floor (excluding basements) are subject to the following requirements. Enclosed areas below the Base Flood Elevation, including crawl spaces shall:

   a. Be designed to automatically equalize hydrostatic flood forces on walls by allowing for the entry and exit of floodwaters;

   b. Be used solely for parking, storage, or building access;

   c. Be certified by a registered professional engineer or architect or meet or exceed all of the following minimum criteria:

      i. A minimum of two openings;

      ii. The total net area of non-engineered openings shall be not less than one square inch for each square foot of enclosed area, where the enclosed area is measured on the exterior of the enclosure walls;

      iii. The bottom of all openings shall be no higher than one foot above grade;

      iv. Openings may be equipped with screens, louvers, valves, or other coverings or devices provided that they shall allow the automatic flow of floodwater into and out of the enclosed areas and shall be accounted for in the determination of the net open area; and,

      v. All additional higher standards for flood openings in the State of Oregon Residential Specialty Codes Section R322.2.2 shall be complied with when applicable.

2. Garages

a. Attached Garages. Attached garages may be constructed with the garage floor slab below the Base Flood Elevation (BFE) in riverine flood zones, if the following requirements are met:

i. If located within a floodway the proposed garage must comply with the requirements of this section;

ii. The floors are at or above grade on not less than one side;

iii. The garage is used solely for parking, building access, and/or storage;

iv. The garage is constructed with flood openings in compliance with this section to equalize hydrostatic flood forces on exterior walls by allowing for the automatic entry and exit of floodwater;

v. The portions of the garage constructed below the BFE are constructed with materials resistant to flood damage;

vi. The garage is constructed in compliance with the standards in this section and,

vii. The garage is constructed with electrical, and other service facilities located and installed so as to prevent water from entering or accumulating within the components during conditions of the base flood.

b. Detached Garages. Detached garages must be constructed in compliance with the standards for appurtenant structures.

3. For Riverine Special Flood Hazard Areas with Base Flood Elevations. In addition to the general standards listed in subsection I, the following specific standards shall apply in Riverine (non-coastal) special flood hazard areas with Base Flood Elevations (BFE): Zones A1-A30, AH, and AE.

a. Before Regulatory Floodway. In areas where a regulatory floodway has not been designated, no new construction, substantial improvement, or other development (including fill) shall be permitted within Zones A1-30 and AE on the community's Flood Insurance Rate Map (FIRM), unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the community and will not result in the net loss of flood storage volume. When determined that structural elevation is not possible and where the placement of fill cannot meet the above standard, impacts to undeveloped space must adhere to the no net loss standards in Section K.

b. Residential Construction. New construction, conversion to, and substantial improvement of any residential structure shall have the lowest floor, including basement, elevated at or

above the Base Flood Elevation (BFE). Enclosed areas below the lowest floor shall comply with the flood opening requirements in subsection I.

c. Non-Residential Construction.

i. New construction, conversion to, and substantial improvement of any commercial, industrial, or other non-residential structure shall:

(a). Have the lowest floor, including basement elevated at or above the Base Flood Elevation (BFE); or

(b) Together with attendant utility and sanitary facilities: 1) Be floodproofed so that below the base flood level the structure is watertight with walls substantially impermeable to the passage of water; 2) Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy; and, 3) Be certified by a registered professional engineer or architect that the design and methods of construction are in accordance with accepted standards of practice for meeting provisions of this section based on their development and/or review of the structural design, specifications and plans. Such certifications shall be provided to the Floodplain Administrator as set forth subsection F.

ii. Non-residential structures that are elevated, not floodproofed, shall comply with the standards for enclosed areas below the lowest floor in subsection J.

iii. Applicants floodproofing non-residential buildings shall be notified that flood insurance premiums will be based on rates that are one (1) foot below the floodproofed level (e.g., a building floodproofed to the base flood level will be rated as one (1) foot below.

d. Manufactured Dwellings.

i. Manufactured dwellings to be placed (new or replacement) or substantially improved that are supported on solid foundation walls shall be constructed with flood openings that comply with this section.

ii. The bottom of the longitudinal chassis frame beam shall be at or above Base Flood Elevation;

iii. Manufactured dwellings to be placed (new or replacement) or substantially improved shall be anchored to prevent flotation, collapse, and lateral movement during the base flood. Anchoring methods may include, but are not limited to, use of over-the-top or frame ties to ground anchors (Reference FEMA's "Manufactured Home Installation in Flood Hazard Areas" guidebook for additional techniques), and;

iv. Electrical crossover connections shall be a minimum of twelve (12) inches above Base Flood Elevation (BFE).

e. Recreation Vehicles. Recreational vehicles placed on sites are required to:

i. Be on the site for fewer than 180 consecutive days, and

ii. Be fully licensed and ready for highway use, on its wheels or jacking system, is attached to the site only by quick disconnect type utilities and security devices, and has no permanently attached additions; or

iii. Meet the requirements of this section including the anchoring and elevation requirements for manufactured dwellings.

f. Appurtenant (Accessory) Structures. Relief from elevation or floodproofing requirements for residential and non-residential structures in Riverine flood zones may be granted for appurtenant structures that meet the following requirements:

i. Appurtenant structures located partially or entirely within the floodway must comply with requirements for development within a floodway.

ii. Appurtenant structures must only be used for parking, access, and/or storage and shall not be used for human habitation;

iii. In compliance with State of Oregon Specialty Codes, appurtenant structures on properties that are zoned residential are limited to one story structures less than 200 square feet, or 400 square feet if the property is greater than two (2) acres in area and the proposed appurtenant structure will be located a minimum of 20 feet from all property lines. Appurtenant structures on properties that are zoned as non-residential are limited in size to 120 square feet;

iv. The portions of the appurtenant structure located below the Base Flood Elevation must be built using flood resistant materials;

v. The appurtenant structure must be adequately anchored to prevent flotation, collapse, and lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy, during conditions of the base flood;

vi. The appurtenant structure must be designed and constructed to equalize hydrostatic flood forces on exterior walls and comply with the requirements for flood openings.

vii. Appurtenant structures shall be located and constructed to have low damage potential;

viii. Appurtenant structures shall not be used to store toxic material, oil, or gasoline, or any priority persistent pollutant identified by the Oregon Department of Environmental Quality unless confined in a tank installed incompliance with subsection I; and,

ix. Appurtenant structures shall be constructed with electrical, mechanical, and other service facilities located and installed so as to prevent water from entering or accumulating within the components during conditions of the base flood.

4. Floodways. Where the floodway is an extremely hazardous area due to the velocity of the floodwaters which carry debris, potential projectiles, and erosion potential, the following provisions apply:

   a. Prohibit encroachments, including fill, new construction, substantial improvements, and other development within the adopted regulatory floodway unless:

      i. Certification by a registered professional civil engineer is provided demonstrating through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachment shall not result in any increase in flood levels within the community during the occurrence of the base flood discharge; or

      ii. A community may permit encroachments within the adopted regulatory floodway that would result in an increase in base flood elevations, provided that conditional approval has been obtained by the Federal Insurance Administrator through the Conditional Letter of Map Revision (CLOMR) application process, all requirements established under 44 CFR 65.12 are fulfilled, and the encroachment(s) comply with the no net loss standards in subsection K.

   b. If the requirements of this section are satisfied, all new construction, substantial improvements, and other development shall comply with all other applicable flood hazard reduction provisions of subsections I and K.

5. Standards for Shallow Flooding Areas. Shallow flooding areas appear on FIRMs as AO zones with depth designations or as AH zones with Base Flood Elevations. For AO zones the base flood depths range from one (1) to three (3) feet above ground where a clearly defined channel does not exist, or where the path of flooding is unpredictable and where velocity flow may be evident. Such flooding is usually characterized as sheet flow. For both AO and AH zones, adequate drainage paths are required around structures on slopes to guide floodwaters around and away from proposed structures.

   a. Standards for AH Zones. Development within AH Zones must comply with the standards in subsections I and J.

   b. Standards for AO Zones. In AO zones, the following provisions apply in addition to the requirements herein.

      i. New construction, conversion to, and substantial improvement of residential structures and manufactured dwellings within AO zones shall have the lowest floor, including basement, elevated above the highest grade adjacent to the building, at

minimum to or above the depth number specified on the Flood Insurance Rate Maps (FIRM) or at least two (2) feet if no depth number is specified. For manufactured dwellings the lowest floor is considered to be the bottom of the longitudinal chassis frame beam.

ii. New construction, conversion to, and substantial improvements of non-residential structures within AO zones shall either:

(a) Have the lowest floor (including basement) elevated above the highest adjacent grade of the building site, at minimum to or above the depth number specified on the Flood Insurance Rate Maps (FIRMS) or at least two (2) feet if no depth number is specified; or

(b) Together with attendant utility and sanitary facilities, be completely floodproofed to or above the depth number specified on the FIRM or a minimum of two (2) feet above the highest adjacent grade if no depth number is specified, so that any space below that level is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads and the effects of buoyancy. If this method is used, compliance shall be certified by a registered professional engineer or architect.

iii. Recreational vehicles placed on sites within AO Zones on the community's Flood Insurance Rate Maps (FIRM) shall either:

(a) Be on the site for fewer than 180 consecutive days, and

(b) Be fully licensed and ready for highway use, on its wheels or jacking system, is attached to the site only by quick disconnect type utilities and security devices, and has no permanently attached additions; or

(c) Meet the elevation requirements herein and the anchoring and other requirements for manufactured dwellings of subsection I.

iv. In AO zones, new and substantially improved appurtenant structures must comply with the standards herein.

v. In AO zones, enclosed areas beneath elevated structures shall comply with the requirements herein.

Staff Notes in Response to FEMA Model Code Standards - from this point on. Standards in pages ahead were introduced for ESA integration. As reminder, all standards (entire section) apply to flood hazards of property (floodway or floodplain) and not to upland area (i.e., located outside of a flood hazard area). Accordingly, the *Riparian Buffer Zone* (below) does not extend beyond the flood hazard area.

K. Standards for Protection of SFHA Floodplain Functions

The standards described below apply to all special flood hazard areas as defined in subsection C.

1. No Net Loss Standards. No net loss of the three proxies for the floodplain functions is required for development in the special flood hazard area that would reduce undeveloped space, increase impervious surface, or result in a loss of trees that are 6-inches dbh or greater. No net loss can be achieved by first avoiding negative effects to floodplain functions to the degree possible, then minimizing remaining effects, then replacing and/or otherwise compensating for, offsetting, or rectifying the residual adverse effects to the three floodplain functions. Prior to the issuance of any development authorization, the applicant shall:

    a. Demonstrate a legal right by the project proponent to implement the proposed activities to achieve no net loss (e.g., property owner agreement);

    b. Demonstrate that financial assurances are in place for the long-term maintenance and monitoring of all projects to achieve no net loss;

    c. Include a management plan that identifies the responsible site manager, stipulates what activities are allowed on site, and requires the posting of signage identifying the site as a mitigation area.

2. Compliance with no net loss for undeveloped space or impervious surface is preferred to occur prior to the loss of habitat function but, at a minimum, shall occur concurrent with the loss. To offset the impacts of delay in implementing no net loss, a 25 percent increase in the required minimum area is added for each year no net loss implementation is delayed.

3. No net loss must be provided within, in order of preference: 1) the lot or parcel that floodplain functions were removed from, 2) the same reach of the waterbody where the development is proposed, or 3) the special flood hazard area within the same hydrologically connected area as the proposed development. Table 1 presents the no net loss ratios, which increase based on the preferences listed above.

4. Undeveloped Space.

    a. Development proposals shall not reduce the fish-accessible and egress-able undeveloped space within the special flood hazard area.

    b. A development proposal with an activity that would impact undeveloped space shall achieve no net loss of fish-accessible and egress-able space.

    c. Lost undeveloped space must be replaced with fish-accessible and egress-able compensatory volume based on the ratio in Table 1 and at the same flood level at which the development causes an impact (i.e., plus or minus 1 foot of the hydraulically equivalent elevation).

i. Hydraulically equivalent sites must be found within either the equivalent 1-foot elevations or the same flood elevation bands of the development proposal. The flood elevation bands are identified as follows:
(a) Ordinary High Water Mark to 10-year,
(b) 10-year to 25-year,
(c) 25-year to 50-year,
(d) And 50-year to 100-year

ii. Hydrologically connected to the waterbody that is the flooding source;

iii. Designed so that there is no increase in velocity; and

iv. Designed to fill and drain in a manner that minimizes anadromous fish stranding to the greatest extent possible.

5. Impervious Surfaces. Impervious surface mitigation shall be mitigated through any of the following options:

a. Development proposals shall not result in a net increase in impervious surface area within the SFHA, or

b. Use low impact development or green infrastructure to infiltrate and treat stormwater produced by the new impervious surface, as documented by a qualified professional, or

c. If prior methods are not feasible and documented by a qualified professional stormwater retention is required to ensure no increase in peak volume or flow and to maximize infiltration, and treatment is required to minimize pollutant loading.

6. Trees. Development proposals shall result in no net loss of trees 6-inches dbh or greater within the special flood hazard area. This requirement does not apply to silviculture where there is no development.

a. Trees of or exceeding 6-inches dbh that are removed from the RBZ, Floodway, or RBZ-fringe must be replaced at the ratios in Table 1.

b. Replacement trees must be native species that would occur naturally in the Level III ecoregion of the impact area.

7. Stormwater Management. Any development proposal that cannot mitigate as specified in this subsection (K) must include the following:

a. Water quality (pollution reduction) treatment for post-construction stormwater runoff from any net increase in impervious area; and

b. Retention facilities that must:

i. Limit discharge to match the pre-development peak discharge rate (i.e., the discharge rate of the site based on its natural groundcover and grade before any development occurred) for the 10-year peak flow using a continuous simulation for flows between 50 percent of the 2-year event and the 10-year flow event (annual series).

ii. Treat stormwater to remove sediment and pollutants from impervious surfaces such that at least 80 percent of the suspended solids are removed from the stormwater prior to discharging to the receiving water body.

iii. Be designed to not entrap fish and drain to the source of flooding.

iv. Be certified by a qualified professional.

c. Stormwater treatment practices for multi-parcel facilities, including subdivisions, shall have an enforceable operation and maintenance agreement to ensure the system functions as designed. This agreement will include:

i. Access to stormwater treatment facilities at the site by the City of Falls City for the purpose of inspection and repair.

ii. A legally binding document specifying the parties responsible for the proper maintenance of the stormwater treatment facilities. The agreement will be recorded and bind subsequent purchasers and sellers even if they were not party to the original agreement.

iii. For stormwater controls that include vegetation and/or soil permeability, the operation and maintenance manual must include maintenance of these elements to maintain the functionality of the feature.

iv. The responsible party for the operation and maintenance of the stormwater facility shall have the operation and maintenance manual on site and available at all times. Records of the maintenance and repairs shall be retained and made available for inspection by the City of Falls City for five years.

8. Activities Exempt from No Net Loss Standards. The following activities are not subject to the no net loss standards herein; however, they may not be exempt from floodplain development permit requirements.

a. Normal maintenance of structures, such as re-roofing and replacing siding, provided there is no change in the footprint or expansion of the roof of the structure;

b. Normal street, sidewalk, and road maintenance, including filling potholes, repaving, and installing signs and traffic signals, that does not alter contours, use, or alter culverts. Activities exempt do not include expansion of paved areas;

c. Routine maintenance of landscaping that does not involve grading, excavation, or filling;

d. Routine agricultural practices such as tilling, plowing, harvesting, soil amendments, and ditch cleaning that does not alter the ditch configuration provided the spoils are removed from special flood hazard area or tilled into fields as a soil amendment;

e. Routine silviculture practices that do not meet the definition of development, including harvesting of trees as long as root balls are left in place and forest road construction or maintenance that does not alter contours, use, or alter culverts;

f. Removal of noxious weeds and hazard trees, and replacement of non-native vegetation with native vegetation;

g. Normal maintenance of above ground utilities and facilities, such as replacing downed power lines and utility poles provided there is no net change in footprint;

h. Normal maintenance of a levee or other flood control facility prescribed in the operations and maintenance plan for the levee or flood control facility. Normal maintenance does not include repair from flood damage, expansion of the prism, expansion of the face or toe or addition of protection on the face or toe with rock armor.

i. Habitat restoration activities.

9. Riparian Buffer Zone (RBZ)

a. The Riparian Buffer Zone is measured from the ordinary high-water line of a fresh waterbody (lake; pond; ephemeral, intermittent, or perennial stream) or mean higher-high water of a marine shoreline or tidally influenced river reach to 170 feet horizontally on each side of the stream or inland of the MHHW. The riparian buffer zone includes the area between these outer boundaries on each side of the stream, including the stream channel.

b. Habitat restoration activities in the RBZ are considered self-mitigating and are not subject to the no net loss standards described above.

c. Functionally dependent uses are only subject to the no net loss standards for development in the RBZ. Ancillary features that are associated with but do not directly impact the functionally dependent use in the RBZ (including manufacturing support facilities and restrooms) are subject to the beneficial gain standard in addition to no net loss standards.

d. Any other use of the RBZ requires a greater offset to achieve no net loss of floodplain functions, on top of the no net loss standards described above, through the beneficial gain standard.

e. Under FEMA's beneficial gain standard, an area within the same reach of the project and equivalent to 5% of the total project area within the RBZ shall be planted with native herbaceous and shrub vegetation and designated as open space.

Table 1 No Net Loss Standards

Basic Mitigate Ratios	Undeveloped Space (ft3)	Impervious Surface (ft2)	Trees (6"<dbh≤20")	Trees (20"<dbh≤39")	Trees (39"<dbh)
RBZ and Floodway	2:1*	1:1	3:1*	5:1	6:1
RBZ - Fringe	1.5:1*	1:1	2:1*	4:1	5:1
Mitigation multipliers					
Mitigation onsite to Mitigation offsite, same reach	100%	100%	100%	100%	100%
Mitigation onsite to Mitigation offsite, different reach, same watershed (5th field)	200% *	200% *	200% *	200%	200%

Notes (table above):

1. Ratios with asterisks are indicated in the BiOp
2. Mitigation multipliers of 100% result in the required mitigation occurring at the same value described by the ratios above, while multipliers of 200% result in the required mitigation being doubled.
    a. For example, if only 500 ft2 of the total 1000 ft 11802 of required pervious surface mitigation can be conducted onsite and in the same reach, the remaining 500 ft2 of required pervious surface mitigation occurring offsite at a different reach would double because of the 200% multiplier.
3. RBZ impacts must be offset in the RBZ, on-site or off-site.
4. Additional standards may apply in the RBZ (See Riparian Buffer Zone)

Exhibit B

NOTICE OF PUBLIC HEARINGS
FALLS CITY ZONING AND DEVELOPMENT CODE - AMENDMENT
CITY CASE FILE LA 2025-01

FEMA Model Floodplain Management Ordinance Update for NFIP-ESA Integration in Oregon

This is to notify you that the City of Falls City has proposed a land use regulation that may affect the permissible uses of your property and other properties.

NOTICE IS HEREBY GIVEN that the City of Falls City will hold public hearings to consider adoption of proposed legislative amendments to the Falls City Zoning and Development Code (FCZDC) specific to Section 2.205.06 titled *Standards for Special Flood Hazard Area*. The proposal would remove all existing provisions in Section 2.205.06 and replace with similar but updated provisions shown to the 2024 Federal Emergency Management Agency's (FEMA) Model Floodplain Management Code. The FEMA model code has been changed for National Flood Insurance Program–Endangered Species Act (NFIP-ESA) integration in Oregon. This can be viewed at:
https://www.fema.gov/sites/default/files/documents/fema_r10_oregon-nfip-esa-model-ordinance_082024.pdf

This notice has been mailed to the owners of properties shown part of the Special Flood Hazard Area (i.e., existing floodway / floodplains of Little Luckiamute River and Boughey Creek). Standards in FCZDC Section 2.205.06 pertain to development and grading of properties (portions thereof) within the Special Flood Hazard Area (see map on page 2). Section 2.205.06 does not pertain to development / grading of property outside the Special Flood Hazard Area.

Oregon Revised Statutes (ORS) 227.186 requires public notices to contain the text (above) across the top of face page, extending from left margin to right margin. ORS 227.186 also requires the same notice to state that *adoption of an Ordinance may affect the permissible uses of your property, and other properties in the affected zone, and may change the value of your property*. No analysis or determination has been made (or will be made) on how proposed updates affect permissible use of property or property value.

Two public hearings are scheduled for this amendment proposal. The first hearing is on **Monday, March 3, 2025,** at **6:00 p.m.** The second hearing is on **Monday, April 7, 2025,** at **6:00 p.m.** Both hearings are before the City Council and held at the Community Center / Fire Station, 320 Main Street, Falls City. A proposed new version of Section 2.205.06 (incorporating applicable sections of the FEMA model code referenced above) is available for view at city offices (299 Mill Street, Falls City). Paper copies may be purchased at a reasonable cost and electronic copies will be sent on request.

Persons wishing to participate in the public hearings may appear in person or by representative at the dates and times listed above, or virtually (meeting agendas will include a Zoom link for this purpose). Written comments may also be submitted via mail to City of Falls City, 299 Mill Street, Falls City, OR 97344, but must be received prior to hearing dates. One week prior to each hearing, a copy of the staff report (pertaining to the above) will be available for inspection.

Legislative amendment procedure and criteria are described in FCZDC Section 3.106.E and subject to procedures identified in OAR 660-018-002. Failure of an issue to be raised at the hearing, in person or in writing, or failure to provide sufficient specificity to afford the City Council an opportunity to respond to the issue precludes appeal to the Land Use Board of Appeals.

For more information, please contact AJ Foscoli, City Manager, at manager@fallscityoregon.gov / 503-787-3631

Below is a Q & A for additional information.

Q: Why is Falls City proposing these code changes?

A: There is a long fifteen-year history on this topic beginning with successful lawsuit against FEMA in year 2009. FEMA website provides detailed history and information about NFIP-ESA integration at:

https://www.fema.gov/about/organization/region-10/oregon/nfip-esa-integration.

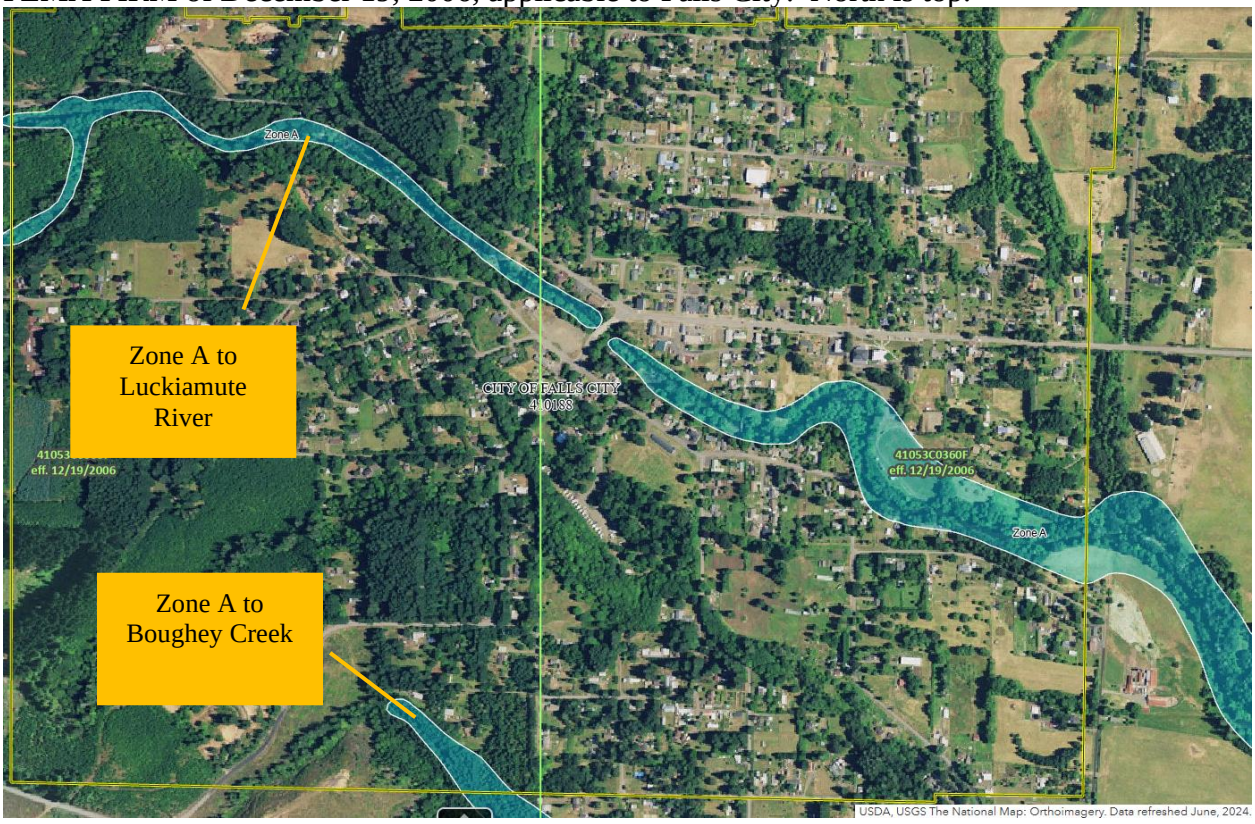
Q: What does the FEMA Model Code introduce that is different from the current Falls City Code?

A: Key item is "No Net Loss" as defined (related to endangered species habitat impact). No Net Loss assessment / possible mitigation is necessary if developing or grading in flood hazard portions of properties (not in areas near or outside). Chapter 6 of the FEMA Model Code explains further.

Q: What happens if Falls City Council decides not to adopt the FEMA model code update?

A: As a participant in the NFIP, Falls City is not mandated to adopt the code update but is obligated to follow current federal floodplain law. Existing code in Section 2.205.06 is an older version of the FEMA model code. If the Council decides not to update, regulatory standards of federal floodplain law (in 44 CFR) apply and Falls City standards in 2.205.06 would become outdated / in conflict.

FEMA FIRM of December 19, 2006, applicable to Falls City. North is top.



This notice has been mailed to owners of properties where Zone A (above) is located within Falls City. Notice to mortgagee, lien holder, vendor or seller: If you received this noticed this notice, please forward to the purchaser.

CITY OF FALLS CITY

299 Mill Street
Falls City, OR 97344
503-787-3631

STAFF REPORT

LEGISTLATIVE AMENDMENT (LA) 25-01
Falls City Zoning and Development Ordinance
FEMA Model Code Update for NFIP-ESA Integration

Staff Report date: February 21, 2025

City Council hearing date: March 3, 2025

PROPOSAL / SCOPE:	Public hearing for a proposed legislative amendment to the Falls City Zoning and Development Ordinance (FCZDO) specific to Section 2.205.06, titled *Standards for Special Flood Hazard Area*, removing and replacing code provisions therein for consistency with the 2024 Federal Emergency Management Agency's (FEMA) Model Floodplain Management Code.
APPLICABLE CRITERIA	Section 3.106.E. of FCZDO (legislative amendment criteria).
APPLICANT:	City of Falls City
CITY FILE NUMBER:	LA 2025-01
EXHIBITS:	A: Proposed changes to Section 2.205.06 titled *Standards for Special Flood Hazard Area.* B: Notice mailed to the owners of properties shown part of the Special Flood Hazard Area (i.e., floodways / floodplains of Little Luckiamute River and Boughey Creek)

I. BACKGROUND

On December 2, 2024, the City Council selected one of three Pre-Implementation Compliance Measures (PICMs) identified by FEMA for National Flood Insurance Program (NFIP) - Endangered Species Act (ESA) compliance. The Council selected PICM option 1 which is summarized as follows:

- Option 1 - Adopt the FEMA Model Code which means updating existing standards in section 2.205.06 of the Falls City Development Code for consistency with recent model standards enacted by FEMA for NFIP-ESA compliance / integration in Oregon.

Exhibit A incorporates FEMA's recent Model Floodplain Ordinance of August 2024 specifically for NFIP – ESA integration in Oregon.

II. PROCEDURE

The public hearing on March 3 is the first of two hearings required by Falls City code in FCZDO Section 3.106, the Type IV Legislative Procedure. Two hearings are also required by state law. The second hearing is scheduled to occur before City Council on April 7, 2025. Proposed land use regulation changes, inclusive of amendments to FCZDO, are subject to "Post-Acknowledgement Procedures" described in ORS 197.610 through 197.651. Content of public notice for hearing purposes, timing and due process for appeals are described therein. In review of ORS 197.610 through 197.651, staff observe the following procedural items to have been completed thus far:

- On December 2, 2024, the City Council of Falls City selected PICM option 1 and initiated legislative proceedings.

- On February 5, 2025, the Department of Land Conservation and Development (DLCD) received notification of the proposed amendment. Hearings-ready changes (Exhibit A) were uploaded to the DLCD website on this day.

- On February 10, 2025, the city mailed a notice as described in ORS 227.186 to the owners of properties in the city having some portion of the 100-year flood hazard area on-site. This notice is attached (Exhibit B).

- On February 19, 2025, the Itemizer-Observer published required notice of said public hearings. Notice will be published again on February 26.

III. WRITTEN COMMENTS

To the date of this report, there are no written comments (in response to notice issued or otherwise).

IV. FINDINGS IN RESPONSE TO APPLICABLE APPROVAL CRITERIA

Section 3.106(E) requires the City Council's decision (for legislative amendment) to be based on consideration of the following factors:

1. ***The Statewide Planning Goals and Guidelines;***

2. ***Comments from any applicable federal or state agencies regarding applicable statutes or regulations;***

3. ***Any applicable intergovernmental agreements; and***

4. ***Any applicable Comprehensive Plan policies and provisions of this Ordinance [FCZDO] that implement the Comprehensive Plan.***

Below are staff findings in response to these criteria.

1. The Statewide Planning Goals and Guidelines.

Staff Findings: There are a total of nineteen statewide planning goals identified in Oregon Administrative Rules (OAR) under Chapter 660, Division 18. Of these goals, twelve are applicable to Falls City which include: *Citizen Involvement* (Goal 1), *Land Use Planning* (Goal 2), *Natural Resources* (Goal 5), *Air, Water & Land Resource Quality* (Goal 6), *Natural Hazards* (Goal 7), *Recreational Needs* (Goal 8), *Economic Development* (Goal 9), *Housing* (10), *Public Facilities & Services* (Goal 11), *Transportation* (12), *Energy Conservation* (13) and *Urbanization* (14).

Below are staff findings in response to the above-listed goals. In consideration of each goal, staff underscores how the scope of this amendment is limited to Section 2.205.06, *Standards for Special Flood Hazard Area*. Staff finds as follows:

Goal 1: *Citizen Involvement*. Public notice of the hearing dates has been provided, consistent with Section 3.106 of FCZDO and consistent with notice requirements identified under ORS 227.175. Public hearings (two required) provide opportunities for citizen involvement. Staff therefore finds the proposed update to be consistent with applicable policies / guidelines of Goal 1.

Goal 2: *Land Use Planning*. Staff finds Exhibit A to be consistent with goals / guidelines of Goal 2, most of which describe the land use planning process and policy framework as a basis for all decisions and actions.

Goal 5: *Natural Resources, Scenic and Historic Areas, and Open Spaces.* Primarily, the proposed code changes are intended to address Goal 7 (*Areas Subject to Natural Hazards*). However, staff observe the list of natural resources in Goal 5 to include fish habitat. Exhibit A introduces a definition and standards for "No Net Loss" (related to endangered species habitat impact). Staff therefore finds the proposed update to be consistent with applicable policies / guidelines of Goal 5.

Goal 6: *Air, Water & Land Resource Quality.* N/A based on amendment scope description herein.

Goal 7: *Areas Subject to Natural Disasters and Hazards*. Under Goal 7 local governments are supposed to comply with Goal 7 for coastal and riverine flood hazards by adopting and implementing local floodplain regulations that meet the minimum NFIP requirements. Proposed changes in Exhibit A incorporate current FEMA model code standards, reflective of recent changes for NFIP-ESA integration. Staff therefore finds the proposed update to be consistent with applicable policies / guidelines of Goal 7.

Goal 8: *Recreational Needs.* N/A based on amendment scope description herein.

Goal 9: *Economic Development.* N/A based on amendment scope description herein.

Goal 10: *Housing*. N/A based on amendment scope description herein. Staff also finds that proposed changes shown to Exhibit A do not impact or impede the ability to satisfy Falls City's future housing needs. In support of this finding, staff observe how the 100-year floodway & plain are discounted as part of the Buildable Land Inventory (a component of Housing Needs Analysis described under rule).

Goal 11: *Public Facilities & Services.* N/A based on amendment scope description herein.

Goal 12: *Transportation.* N/A based on amendment scope description herein.

Goal 13: *Energy Conservation*: N/A based on amendment scope description herein.

Goal 14: *Urbanization.* N/A based on amendment scope description herein.

Conclusion: Based on the facts and findings above, the proposal complies with applicable statewide planning goals and guidelines.

2. Comments from any applicable federal or state agencies regarding applicable statutes or regulations;

Staff Findings: As previously stated, no written comments have been received (to date). If comments are received after the report date, staff will make them available to the Council ahead of the scheduled hearing(s) or at the hearing(s). As previously stated, DLCD received notification of the proposed amendment. The role of DLCD in this capacity is to coordinate implementation of the NFIP in Oregon through an agreement with FEMA.

3. Any applicable intergovernmental agreements;

Staff Findings: Falls City participates in the NFIP and is therefore obligated to regulate activities that take place in designated Special Flood Hazard Areas. In exchange, FEMA offers flood insurance to property owners and renters. The combination of floodplain management and insurance reduces the socio-economic impact of disaster.

4. Any applicable Comprehensive Plan policies and provisions of this Ordinance [FCZDO] that implement the Comprehensive Plan.

Staff Findings: Staff observe the Falls City Comprehensive Plan to acknowledge participation in the NFIP (page 67) under title *Flood Hazards*. Also, on page 114 (related to Goal 7) there is one goal that generally speaks to protection of life and property in Falls City from natural disasters and hazards. Staff finds the proposed changes to Section 2.205.06 (Exhibit A) to be consistent with applicable Comprehensive Plan goals and policies.

V. CONCLUSION

Based on the findings in this staff report, staff concludes that criteria in Section 3.106(E) are met.

VI. CITY COUNCIL ACTION

As two public hearings are necessary, staff recommends opening the first hearing on March 3 for receiving public testimony, then closing the hearing for Council deliberation, then a motion to **continue the hearing on LA 2025-01 to April 7** (i.e., date shown to hearing notices).

If certain additional information is desired by the Council to make an informed decision on April 7, staff recommends that the Council identifying the desired information and staff will ensure this is made available prior to the second hearing.

FALLS CITY CITY COUNCIL	MONDAY, FEBRUARY 3, 2025
Mayor Bailey called the Falls City City Council into regular session on Monday, February 3, 2025 at 6:00 p.m. in the Community Center located at 320 N. Main Street.	
Council Members Present: Council President Amy Houghtaling, Councilor Nick Backus, Councilor Tony Meier, Councilor Tia Scruton, and Councilor Lori Jean Sickles. Councilor Dennis Sickles arrived at 6:18 p.m.	
Staff Present: City Manager AJ Foscoli and City Recorder Jeremy Teal	
AGENDA	**ACTION**
Announcements, Appointments, Appreciations & Proclamations	Mayor Bailey thanked all the town hall attendees and those that attended the first coffee with the mayor. Mayor Bailey thanked Mr. Teal for everything he does at City and for the community.
Public Comment	Mayor Bailey opened the public comments at 6:02 p.m. Boyd Lamprecht stated the plates on the roads in town were ridiculous and noted the contractors were doing nothing. He suggested the steel bridge at the Mill Lot could be placed where the walking bridge was and could be a car bridge instead of walking bridge. Tracy Young advised she had called the County and the Bowman property was out of probate as of October 2024. She noted the Town Hall was a success but there was still a lack of trust with the Council. She mentioned that an ordinance takes three months and then many more to get done. She stated the trailers on Church Street have been offered services and have refused and that should raise a red flag for the City. She indicated there were nine spots available in the trailer park. She stated support to pass the ordinance and get rid of the motorhomes. Jim Miner suggested Town Hall meetings should be quarterly as to not burn people out on meetings. He noted he was impressed with the turnout for the Town Hall meeting. He asked who would pay for the ripped sidewall on a tire from the plates.

	Chris Martin noted that asphalt around the plates on the roads would help considerably. He stated he supported the idea of the steel bridge going in where the walking bridge was. He suggested that the bridge could also be a cool venue in the park for a stage for summer events. Tina Thompson noted the steel bridge was a good idea for end of Dayton. She suggested the 4-way stop at Bridge and Parry could be a three-way stop instead. Mayor Bailey closed the public comments at 6:13 p.m.
Consent Agenda a) January 6, 2025 Minutes b) Public Works Application	It was moved by Council Houghtaling to approve the Consent Agenda as presented. The motion was duly seconded by Councilor LJ Sickels and CARRIED with a vote of 6-0 with Councilors Backus, Meier, Scruton, D Sickles, LJ Sickles and Council President Houghtaling voting YES. Mr. Foscoli wanted to make an amendment to the Lamprecht easement statement and what lead up to City making the decision for easement. He noted the City was named in the project and stated the original easement ran through Weyerhaeuser property and due to a disagreement with County and Mr. Lamprecht the city came up to the idea for a workaround easement. Mr. Lamprecht stated the survey of his property included the road from 1993 showed that Weyerhaeuser property was not part of the original driveway.
Reports or Comments from Mayor and Council Members a) Mayor's Report	Mayor Bailey noted the Town Hall was a huge success and it allowed the community to talk about important items. He mentioned Coffee with the Mayor had a great turnout with 8 attendees. He stated the subject of a Neighborhood Watch committee. He noted the Bridge can't be dropped in just anywhere, but it will be used somehow in community. He noted there was a governmental process to everything and the lack of trust from the community was

	unfortunate. He advised that people were not going to the right people to get the correct information. He stated that if something wasn't moving fast enough to check with City . He mentioned that Saturday, March 2 will be Coffee with the Mayor. He noted that Skate Park was still moving forward and the engineering survey needed and he was working on funding. Tina Thompson mentioned putting the steel bridge in the skate park.
b) Councilor Comments	Councilor Backus advised the federal grants were frozen and then quickly unfrozen and he was concerned it might affect the City. Mr. Foscoli noted the City was in good standing for the wastewater project and had spoken to DEQ and they were in good shape for funding to continue. Council President Houghtaling noted the Oregon Department of Education was drawing down as much as they could to keep schools going. She noted this was a real concern.
c) Historic Landmark Report	Council President Houghtaling stated they were still looking for people to be interviewed.
d) Public Works Report	There were no comments.
Reports from City Manager & Staff	
a) City Manager's Report	Mr. Foscoli reported on the wastewater treatment plant, Community Resource Center, code enforcement, oversized vehicle parking ban, abandoned property rules, and the upper park trees.
Resolutions a) Res 02-2025: Small City Allotment	Mr. Foscoli reported this allotment would help with improvements to the pedestrian island and sidewalks on Mitchell Street, 5th Street, and Prospect Street for pedestrian school routes. Councilor D Sickles asked if the City had enough to do the whole project now. Mr. Foscoli noted that with the additional funding they had $600,000 and that 75% of the engineering was already done.

	It was moved by Council President Houghtaling to approve Resolution 02-2025. The motion was duly seconded by Councilor Meier and CARRIED with a vote of 6-0 with Councilors Backus, Meier, Scruton, D Sickles, LJ Sickles and Council President Houghtaling voting YES.
Ordinances b) Ord 569-2025: No Oversized Vehicles	Mr. Foscoli stated he mentioned this ordinance wouldn't allow any vehicle over 23 ft long or 7 ft wide to park on any city street. He noted this ordinance covered most of the vehicles that are used to live in. He stated that cars and vans can be dealt with easier than a larger recreational vehicle. Councilor Backus asked if the residents of the vehicle needed to be notified. Mr. Foscoli stated it wasn't required. Councilor Backus asked if it was intentional to leave out the acronym RV. Mr. Foscoli noted it was. Councilor Backus advised that sections 2 and 3 should be subsections of section 1. Mr. Foscoli stated that was correct and that he would make the corrections. There was discussion regarding a penalty for impounding, towing, removal, or dismantling of recreational vehicles. Mr. Foscoli advised he would work on the costs of each item and bring a resolution back to Council in March. Council President Houghtaling voiced her concern of the added staff time to try and collect money from people. It was moved by Council President Houghtaling to approve Ordinance 569-2025 with corrections section 2 becomes section 1.1, section 3 becomes section 1.2, section 4 becomes section 2, section 5 becomes section 3, section 6 becomes section 4 and section 7 becomes section 5. The motion was duly seconded by Councilor D Sickles and CARRIED with a vote of 6-0 with Councilors Backus, Meier, Scruton, D

	Sickles, LJ Sickles and Council President Houghtaling voting YES.
Good of the Order	Mayor Bailey noted the procedure during a lockdown needed to involve the entire community. He mentioned to schedule a meeting with city, schools and sheriff to discuss roles in lockdown. He mentioned the better we can keep city and staff safe was worth it. Councilor Scruton noted she had been to 2 trainings as a new Councilor. She mentioned one was for ethics and the other was a general councilor introduction. Councilor D Sickles noted that basketball season was almost done and the girls were going to district, and the middle school did a fantastic job. Council President Houghtaling mentioned that the YMCA youth sports kids play on Saturdays in the high school gym. She noted it was the cutest thing you will ever watch.
Adjourn	There being no further business, the meeting was adjourned at 6:55 p.m.

Read and approved this _____ day of _____ 2025.

Mayor:_____
ATTEST:

City Recorder:_____

City of Falls City
Historic Landmark Commission
Tuesday February 4, 2025 at 6:00 pm
Meeting Location: 320 N Main Street Falls City

Commission Members Present
Amy Houghtaling, Nick Backus, Mike McConnell, Guy Mack. Natascha Adams absent.
Commission was joined by Josh Wagner, Communications/Project Leader.

1) Roll Call
Chair Houghtaling called the meeting to order at 6:04 PM, took roll call.

2) Pledge of Allegiance
Chair Houghtaling led the Commission in the Pledge of Allegiance.

3) Motion to Adopt the entire Agenda
Member Mack moved and member McConnell seconded **to adopt the Entire Agenda**. Motion passed 4-0-0 Ayes. Amy Houghtaling, Nick Backus, Mike McConnell, Guy Mack.

4) Consent Agenda Motion
Member Backus moved and member McConnell seconded **to approve minutes for 01/7/25.**. Motion passed 4-0-0 Ayes. Amy Houghtaling, Nick Backus, Mike McConnell, Guy Mack.

5) Public Comment - None

6) Old Business
a. Grant Project Update
Project Leader Wagner has four goals for our meeting:
1. **Need of assistance to identify and schedule additional interviews.**
Commission was informed that FCHS students Kendyl Parker (lead) and Wynter Wyatt (secondary) with assistance from Mr. Ellingston have conducted additional interviews and need additional interviewees. Commission suggested the following individuals:

Lori Sickles	Tia and Alea McConnell	John Gilbert
Amy Houghtaling	Pat Rodewald	Cheryl and John Barton
Micke Kidd		

Commission members agreed to assist in setting up interviews and identifying historic landmarks to be included in the project.
2. **Provide Commission member, Natascha Adams with photos to be scanned.**
Said photos to be uploaded to Catalogit.
3. **Play edited audio clips of interviews with Lois Grippen and Guy Mack.**
Commission listened to clip of Guy Mack interview.
4. **Identifying photographs taken by Diane Beals of Guy Mack.**
After adjournment Project Leader Wagner and Commission member Mack identified photographs.

7) New Business - None

8) Correspondence, Comments and Ex-Officio Report

9) Committee Announcements
Next meeting will be March 4, 2025 in the Community Center at 6:00 pm.

10) Adjourn

Member Mack moved and Member McConnell seconded: **we adjourn**. Motion carried 4-0-0 Ayes. Amy Houghtaling, Nick Backus, Mike McConnell, Guy Mack. Meeting adjourned at 6:45.pm.

_____ Historic Landmark Commissioner Chair Houghtaling

Attested: _____ Historic Landmark Commission Member

City of Falls City
299 Mill Street
Falls City, OR 97344
Ph 503.787.3631

City Manager's Report March 3, 2025

Introduction

February saw a lot of inclement weather, from freezing temperatures, snow, wind and heavy rains that challenged the Public Works Department in maintaining vital services. As always, the crew rose to the challenge and handled all that was thrown at them with aplomb and professionalism.

Wastewater Project – The regular meetings with Strider Construction and our contract engineers are now on a tri-weekly schedule as work is going full steam at the lagoon site, and within city limits. The "ponds" have had "bubbles" develop from what looks like potential off gassing from soil substrates. This is preventing Pond 1 from being tested for leakage. Fortunately, the water in that pond was transferred to Pond 2, which will help to get it ready for leakage testing in March. As the project can draw permitted water from the Little Luckiamute to test the ponds' structural integrity, the testing of Pond 1 will happen once the "bubbling" has been dealt with. Construction at the school campus for the new pump station is currently on hold due to PacifiCorp requiring a redesign of electrical conduit. An easement agreement will come before the City Council to allow Strider to connect to a PacifiCorp pole to power the new pump station. The project completion of early March is no longer on schedule according to Strider Construction, based on the PacifiCorp holds on electrical conduit design.

Community Resource Center Project – The Falls City Resource Center's operation is busy as additional service providers are slotting in client hours at the building. In January, more than 179 people were assisted (54 scheduled appointments, and 125 drop-ins). We look forward to partnerships with all service providers to continue to serve the Falls City community.

Code Enforcement – Our Code Enforcement Officer has been coordinating with the Polk County Sheriff's Office Deputy to address several code compliance instances, finally ensuring that the RV that kept parking illegally in town was finally moved out of town. The city council's new ordinance to ban all oversized vehicles on Falls City streets/right-of-ways and public spaces, as well as new code language to address abandoned vehicles has passed and a resolution to institute penalty fees for violations will come before City Council in March.

Note: If you have questions/concerns, please respond to me individually by email, phone, or in person. This way we avoid violating any public meetings laws with a "reply all" response, or multiple councilors discussing on the same thread.

No-Parking of Oversized Vehicles in Falls City – The city is bringing a Resolution for Penalty Fees to complement the new city ordinance to prohibit all oversized vehicles from parking on Falls City streets/right-of-ways and public spaces.

Found Abandoned Property in Falls City – The city, in its effort to prevent disposal of personal items on Falls City streets/right-of-ways and public spaces, is continuing to review rules set in neighboring cities for such purpose. The rules shared for review and discussion address the city's ability to mitigate items that are abandoned on streets/right-of-ways and public spaces. As these rules are from a municipality with many more resources than Falls City, a workshop will be scheduled to address what portions of these rules our city could adopt in order to address this issue.

Upper Park Trees – The Department of Forestry have done a review of the health of the trees in the Upper Park and the preliminary findings indicate that though a majority of trees are at risk of infection, there are only 5 trees that will need to be brought down at present. A pathologist within the Department of Forestry has done an in-depth analysis of the extent and severity of the damage and we expect to receive the official assessment report in short order. A subsequent visit is scheduled to determine the timeline of the replacement of trees that are currently NOT scheduled for cutting.

Town Hall Meeting – The next Town Hall Meeting is planned for Monday, April 21 at 6:00pm. This will begin a quarterly meeting schedule, so as not to overburden community members who may have commitments that would keep them from attending monthly.

Goal Setting Meeting – The 2025 Goal Setting Meeting by the City Council will happen sometime in March.

Sincerely,

CITY OF FALLS CITY

Annual Financial Report

For the Year Ended June 30, 2024

CITY OF FALLS CITY, OREGON
Officers and Members of the City Council
June 30, 2024

Name	Term Expires
TJ Bailey, Mayor	
Council Members	
Amy Houghtaling, President	December 31, 2024
Lori Jean Sickles	December 31, 2026
Nick Backus	December 31, 2026
Tony Meier	December 31, 2026
Dennis Sickles	December 31, 2024
Martha Jirovec	December 31, 2024

CITY MANAGER
AJ Foscoli

REGISTERED ADDRESS
299 Mill Street
Falls City, Oregon 97344

CITY OF FALLS CITY
For the year ended June 30, 2024
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Dougall Conradie LLC
Certified Public Accountants

Geoffrey Dougall, CPA
Heather Jackson, CPA
Richard Winkel, CPA
Members of AICPA & OSCPA

Independent Auditor's Report

To the City Council
Falls City, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Falls City, Oregon as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Falls City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Falls City as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with the cash basis of accounting.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Falls City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Falls City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

PO Box 400, Beaverton, OR 97075 • 971 249 9920 • www.cpanw.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Falls City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Falls City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Falls City's basic financial statements. The combining and individual fund budget to actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and

relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Reports on Other Legal and Regulatory Requirements
Other Reporting Required by Oregon Revised Statutes

In accordance with Oregon State Regulations, we have also issued our report dated February 3, 2025 on our consideration of the City of Falls City's internal control over financial reporting and on our procedures to address its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is required by Oregon State Regulations.

DOUGALL CONRADIE LLC
Portland, Oregon
February 3, 2025

By:_____
Richard Winkel, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF FALLS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

The management of the City of Falls City, Oregon, presents this narrative overview and analysis to facilitate both a short and long-term analysis of the financial activities of the City for the fiscal year ended June 30, 2024. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date the financial statements are issued.

Financial Highlights

- The City's governmental activities assets exceed liabilities (net position) as of June 30, 2024 by $1,343,170, an increase of $297,183 from the prior year.
- The City's business-type activities assets exceed liabilities (net position) by $519,509, a decrease of $294,712 from the prior year.
- Total revenues for the year ended June 30, 2024 were $3,114,639, an increase of $1,755,277 from the prior year. The increase was due to higher grant revenue than prior year.
- Total expenses at the City for the year ended June 30, 2024 were $3,112,168, an increase of $1,809,247 from the prior year, mainly due to a large capital project on the City's sewer system.

Overview of the Financial Statements
The following discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other supplementary information. The City's basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position (cash basis) presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities (cash basis) presents information showing how the City's net position changed during the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the related cash flow occurs under the cash basis of accounting.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include the following:

- General government
- Community development
- Fire service
- Parks
- Street

The business-type activities of the City include the following:

- Water
- Sewer

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Notes to financial statements – The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

Supplementary information – The combining statements and schedules are presented as supplementary information.

Requests for information

The City's financial statements are designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about this report, please contact the City at 299 Mill Street, Falls City, Oregon 97344.

The City's assets, liabilities and net position for June 30, 2024 and 2023 are as follows:

Government-Wide Financial Analysis

	Governmental Activities		Business-type Activities		Totals	
	FY 2024	**FY 2023**	**FY 2024**	**FY 2023**	**FY 2024**	**FY 2023**
Assets:						
Cash and investments	$ 1,343,170	$ 1,045,987	$ 519,509	$ 814,221	$ 1,862,679	$ 1,860,208
Total assets	1,343,170	1,045,987	519,509	814,221	1,862,679	1,860,708
Net Position:						
Restricted	135,642	153,352	-	-	135,642	153,352
Unrestricted	1,207,528	892,635	519,509	814,221	1,727,037	1,706,856
Total net position	$ 1,343,170	$ 1,045,987	$ 519,509	$ 814,221	$ 1,862,679	$ 1,860,208

A portion of the City's net position, $135,642 or approximately 7%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position totaling $1,727,037 represents the balance that may be used to meet the City's ongoing obligations to citizens and creditors.

The change in net position for the years ended June 30, 2024 and 2023 is as follows:

	Governmental Activities		Business-type Activities		Totals	
	FY 2024	**FY 2023**	**FY 2024**	**FY 2023**	**FY 2024**	**FY 2023**
Revenues						
Program						
Charges for services	$ 54,295	$ 37,289	$ 528,551	$ 528,551	$ 571,736	$ 565,840
Operating grants and contributions	302,252	206,373	-	-	302,252	206,373
Capital grants	-	-	167,236	167,236	1,771,666	167,236
General						
Taxes and assessments	201,346	191,906	-	-	201,346	191,906
Franchise fees	75,355	58,785	-	-	75,355	58,785
Intergovernmental	116,616	118,234	-	-	116,616	118,234
Miscellaneous	75,668	50,988	-	-	75,668	50,988
Total revenues	825,532	663,575	695,787	695,787	3,114,639	1,359,362
Expenses						
General government	284,452	361,448	-	-	284,452	361,448
Community development	4,218	2,107	-	-	4,218	2,107
Fire service	150,673	125,241	-	-	150,673	125,241
Parks	18,154	25,353	-	-	18,154	25,353
Streets	61,727	75,953	-	-	61,727	75,953
Interest on long-term debt	9,125	3,299	-	-	9,125	3,299
Water	-	-	362,181	300,553	362,181	300,553
Sewer	-	-	2,221,638	408,967	2,221,638	408,967
Total expenses	528,349	593,401	2,583,819	709,520	3,112,168	1,302,921
Change in net position	297,183	70,174	(294,712)	(13,733)	2,471	56,441
Net position - beginning	1,045,987	975,813	814,221	827,954	1,860,208	1,803,767
Total net position	$ 1,343,170	$ 1,045,987	$ 519,509	$ 814,221	$ 1,862,679	$ 1,860,208

Financial Analysis of the City's Funds

Governmental funds – Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. However, unlike the government-wide financial statements, governmental fund financial statements focus on each major fund. Such information may be useful in evaluating the City's near term financial requirements.

The City maintained seven individual governmental funds. Information for the funds that are considered significant (major) is presented separately in the governmental fund balance sheet (cash basis) and in the governmental fund statement of revenues, expenditures and changes in fund balances (cash basis). Two of the City's funds are considered to be major funds: General Fund and Street Fund.

The City adopts annual appropriated budgets for all funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for all funds.

The General Fund ended the year with a fund balance of $891,503, a decrease of $59,418 from the prior year. Revenues in the General Fund for fiscal year ended June 30, 2024 were $683,816 and expenses were $393,234. Total governmental funds ended the year with a fund balance of $1,343,170, which was an increase of $297,183 from the prior year.

Proprietary funds – Proprietary funds are used to account for activities where the emphasis is placed on net income determination. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements.

The City uses enterprise funds to account for its water and sewer utility activities. The enterprise funds of the City are reported separately as proprietary fund financial statements in the basic financial statements.

The City presents six individual proprietary funds. Information is presented separately in the enterprise fund balance sheet and in the enterprise fund statement of revenue, expenditures and changes in fund balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report four major funds: Water, Sewer, Water Improvement, and Sewer Improvement. Data from the other four enterprise funds are combined into a single aggregated presentation.

The City's proprietary funds ended the year with a total net position of $519,509, a decrease of $294,712 from the prior year.

Budgetary Highlights

During the year ended June 30, 2024, General Fund revenues were over budget by $306,230 and expenditures were under budget by $658,130. General Fund budgetary appropriations exceeded actual expenditures in the Fire Services, Parks and Cemeteries, and Council categories.

Long-Term Obligations

At the end of the fiscal year, the City had revenue-backed bonded debt outstanding of $655,000 and long-term loans in the amount of $118,443. During the current year the City paid $65,047 as principal payments to reduce the debt. The long-term debt is not included in the Statement of Net Position under the cash basis of accounting. Additional information on the City's long-term obligations can be found in Note 3 to the basic financial statements.

Economic Factors and Next Year's Budget

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The City uses a conservative approach when preparing the budget each year.

BASIC FINANCIAL STATEMENTS

CITY OF FALLS CITY, OREGON

Statement of Net Position
(Cash Basis)

June 30, 2024

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	$ 1,343,170	$ 519,509	$ 1,862,679
Total assets	1,343,170	519,509	1,862,679
NET POSITION:			
Restricted for:			
Community development	92,547	-	92,547
Fire service	43,095	-	43,095
Unrestricted	1,207,528	519,509	1,727,037
Total net position	$ 1,343,170	$ 519,509	$ 1,862,679

The accompanying notes are an integral part of these financial statements

CITY OF FALLS CITY, OREGON

Statement of Activities
(Cash Basis)

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Totals
Governmental activities:							
General government	$ 281,933	$ 54,295	$ 301,342	$ -	$ 73,704	$ -	$ 73,704
Community development	6,346	-	-	-	(6,346)	-	(6,346)
Fire service	150,673	-	-	-	(150,673)	-	(150,673)
Parks	18,154	-	-	-	(18,154)	-	(18,154)
Street	61,727	-	910	-	(60,817)	-	(60,817)
Interest on long-term debt	9,516	-	-	-	(9,516)	-	(9,516)
Total governmental activities	528,349	54,295	302,252	-	(171,802)	-	(171,802)
Business-type activities:							
Water	362,181	368,828	-	-	-	6,647	6,647
Sewer	2,221,638	148,613	-	1,771,666	-	(301,359)	(301,359)
Total business-type activities	2,583,819	517,441	-	1,771,666	-	(294,712)	(294,712)
Total activities	$ 3,112,168	$ 571,736	$ 302,252	$ 1,771,666	(171,802)	(294,712)	(466,514)
General revenues:							
Property taxes					201,346	-	201,346
Franchise taxes					75,355	-	75,355
Intergovernmental					116,616	-	116,616
Miscellaneous					75,668	-	75,668
Total general revenues					468,985	-	468,985
Change in net position					297,183	(294,712)	2,471
Net position - beginning					1,045,987	814,221	1,860,208
Net position - ending					$ 1,343,170	$ 519,509	$ 1,862,679

The accompanying notes are an integral part of these financial statements.

CITY OF FALLS CITY, OREGON

Balance Sheet - Governmental Funds
(Cash Basis)
June 30, 2024

	General	Special Revenue: Streets	Special Revenue: Polk Community Development	Other Governmental Funds	Total
ASSETS:					
Cash and investments	$ 891,503	$ 31,081	$ 284,944	$ 135,642	$ 1,343,170
Due from other funds	-	-	-	-	-
Total assets	$ 891,503	$ 31,081	$ 284,944	$ 135,642	$ 1,343,170
LIABILITIES:					
Due to other funds	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-
FUND BALANCES:					
Restricted for:					
Community development	-	-	-	92,547	92,547
Fire services	-	-	-	43,095	43,095
Committed to:					
Community development	-	-	284,944	-	284,944
Unassigned	891,503	31,081	-	-	922,584
Total fund balances	891,503	31,081	284,944	135,642	1,343,170
Total liabilities and fund balances	$ 891,503	$ 31,081	$ 284,944	$ 135,642	$ 1,343,170

The accompanying notes are an integral part of these financial statements.

CITY OF FALLS CITY, OREGON

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Cash Basis)
For the Year Ended June 30, 2024

		Special Revenue			
	General	Streets	Polk Community Development	Other Governmental Funds	Total
REVENUES:					
Taxes and assessments	$ 150,218	$ -	$ -	$ 51,128	$ 201,346
Franchise fees	75,355	-	-	-	75,355
Grants	301,342	910	-	-	302,252
Charges for services	49,745	-	-	4,550	54,295
Intergovernmental	34,388	82,228	-	-	116,616
Miscellaneous	72,768	2,900	-	-	75,668
Total revenues	683,816	86,038	-	55,678	825,532
EXPENDITURES:					
General government	281,933	-	-	-	281,933
Community development	-	-	-	4,218	4,218
Fire service	90,628	-	-	37,126	127,754
Parks	18,154	-	-	-	18,154
Streets	-	50,806	-	-	50,806
Debt payments					
Principal	2,128	-	-	22,919	25,047
Interest	391	-	-	9,125	9,516
Capital acquisitions	-	10,921	-	-	10,921
Total expenditures	393,234	61,727	-	73,388	528,349
Transfers	(350,000)	350,000	-	-	-
Net change in fund balances	(59,418)	374,311	-	(17,710)	297,183
Fund balances, beginning of year	950,921	(343,230)	284,944	153,352	1,045,987
Fund balances, end of year	$ 891,503	$ 31,081	$ 284,944	$ 135,642	$ 1,343,170

The accompanying notes are an integral part of these financial statements.

CITY OF FALLS CITY, OREGON

Statement of Net Position
Enterprise Funds

(Cash Basis)

June 30, 2024

	Business-type Activities / Enterprise Funds			
	Water	Sewer	Utility Reserve	Total
ASSETS:				
Cash and investments	$ 419,938	$ (293,880)	$ 393,451	$ 519,509
LIABILITIES:				
Due to other funds	-	-	-	-
NET POSITION:				
Unrestricted	419,938	(293,880)	393,451	519,509
Total net position	$ 419,938	$ (293,880)	$ 393,451	$ 519,509

The accompanying notes are an integral part of these financial statements.

CITY OF FALLS CITY, OREGON

Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds

(Cash Basis)

For the Year Ended June 30, 2024

	Business-type Activities / Enterprise Funds			
	Water	Sewer	Utility Reserve	Total
Operating revenues				
Charges for services	$ 318,387	$ 148,613	$ 50,441	$ 517,441
Grants	-	1,771,666	-	1,771,666
Miscellaneous	-	-	-	-
Total operating revenues	318,387	1,920,279	50,441	2,289,107
Operating expenses				
Personal services	138,543	89,533	-	228,076
Materials and services	100,386	58,211	45,299	203,896
Total operating expenses	238,929	147,744	45,299	431,972
Operating income (loss)	79,458	1,772,535	5,142	1,857,135
Non-operating revenues (expenses)				
Capital acquisitions	(89)	(2,073,894)	(14,002)	(2,087,985)
Debt payments:				
Principal	(40,000)	-	-	(40,000)
Interest expense	(23,862)	-	-	(23,862)
Total non-operating revenues (expenses)	(63,951)	(2,073,894)	(14,002)	(2,151,847)
Change in net position	15,507	(301,359)	(8,860)	(294,712)
Net position, beginning of year	404,431	7,479	402,311	814,221
Net position, end of year	$ 419,938	$ (293,880)	$ 393,451	$ 519,509

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Falls City, Oregon is governed by an elected mayor and six council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of the city administrator, who report to the City Council.

The accompanying financial statements present all activities, funds, and component units for which the City is financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of this criteria, the City is a primary government with no includable component units.

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are prepared under the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either government or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements report information on all activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position (Cash Basis) and the Statement of Activities (Cash Basis).

The Statement of Net Position (Cash Basis) presents all the assets and liabilities of the City. Net position, representing assets less liabilities, is shown in two components. Restricted for special purposes (amounts which must be spent in accordance with legal restrictions) and unrestricted (the amount available for ongoing City activities).

The Statement of Activities (Cash Basis) demonstrates the degree to which the direct and allocated indirect expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses are those costs, usually administrative in nature, that support all City functions and enable direct services to be provided. Program revenues include (1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary or fiduciary. Currently, the City has governmental funds (general and special revenue) and proprietary funds (enterprise). Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

In the government-wide financial statements both governmental and business-type activities are accounted for using the economic resource measurement focus, within the limits of the cash basis of accounting as defined below.

The financial statements are presented on the cash basis of accounting, which is a basis of accounting other than GAAP established by GASB.

The cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Additionally, capital assets such as property and equipment, and long-term liabilities such as debt are only reported in the notes to the financial statements.

If the City utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting, and the fund financial statements for the enterprise funds would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

The City's policy, although not in accordance with GAAP, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for charges for services. Operating expenses for proprietary funds include payroll expense and materials and supplies. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, receipts and disbursements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major governmental funds:

General Fund – This is the City's primary operating fund. It accounts for all the financial operations of the City, except for those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees and state and county shared revenues. Primary expenditures are for general government, parks, City Council, and municipal court.

Street Fund – This fund accounts for the cost of construction, reconstruction, improvement, repair and maintenance of public highways, roads and streets within the City. Principal sources of revenues are gas tax apportionments received from the State and grants. Expenditures are for street construction and maintenance.

Polk Community Development Fund – This fund accounts for rehabilitation housing loan repayments received from Polk Community Development Corporation (Polk CDC).

The City reports the following non-major governmental funds:

Wagner Library 80% Fund – This fund accounts for funds to restore the Wagner Public Library. Sources of revenues are contributions.

Fire Levy Fund – This fund accounts for the fire levy funds to augment the fire portion of the General Fund by providing equipment and funding to the City Fire Department. The principal source of revenue is the fire levy approved by voters.

Luckiamute Community Building Fund – This fund accounts for funds to maintain the Luckiamute Community Building.

The City reports the following major proprietary funds:

Water Fund – This fund accounts for the operations, maintenance, debt service and capital construction projects for the City's water system. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection. The water fund receives utility fees, construction fees, grants and debt proceeds to fund activities.

Sewer Fund – This fund accounts for the operations, maintenance, debt service and capital construction projects for the City's sewer system. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection. The sewer fund receives utility fees, construction fees, grants and debt proceeds to fund activities.

Utility Reserve Fund – This fund accounts for funds reserved for capital improvements and repairs for the water and sewer system and is funded by a utility capital improvement fee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or regulations of other governments. Net position is classified in the following three categories:

Restricted net position – consists of net position with constraints placed on them by entities outside of the City.

Unrestricted net position – all other net positions that do not meet either of the criteria above.

Fund Balance

The City follows the guidance in GASB 54. Under this standard, the fund balances are classified within one of the fund balance categories listed below.

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts constrained to specific purpose by their providers (such as grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the City Council.
- Assigned fund balance represents amounts a government intends to use for a specific purpose; intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance represents amounts that are available for any purpose; these amounts are reported only in the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds in certain circumstances.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is applied to the cash basis of accounting as appropriate:

a. All governmental funds utilize a current financial resources measurement focus within the limitations of the cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary funds utilize an economic resource measurement focus within the limitations of the cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, change in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the cash basis of accounting.

Cash and Investments

The City maintains cash and cash equivalents in a common pool that is available for use by all funds. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents. The City considers cash on hand, demand deposits and savings accounts, and short-term investments with an original maturity of three months or less from the date of acquisition to be cash and cash equivalents. Oregon Revised Statutes authorize the City to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of U.S. Government and its agencies, certain bonded obligations of Oregon municipalities and the State Treasurer's Local Government Investment Pool, among others.

Property Taxes

Real and personal property taxes are levied by the County Assessor and collected by the County Tax Collector. Property taxes are an enforceable lien on both real and personal property as of July 1 and are due and payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by the County Tax Collector and remitted to the City. Property tax revenues are recognized when collected under the cash basis of accounting, whereby revenues are recognized when they are received.

Budget and Budgetary Accounting

A budget is prepared for each fund in accordance with the cash basis of accounting for all funds. The budget is adopted on a department basis for the General Fund and on an object basis (personal services, materials and services, capital outlay and debt service) for all other funds. Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each fiscal year. Budget amounts include original approved amounts and all subsequent appropriation transfers approved by the City Council. After budget approval, the City Council may approve supplemental appropriations if an occurrence, condition, or need exists which had not been ascertained at the time the budget was adopted. Management may not amend the budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council.

2. *CASH AND INVESTMENTS*

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments.

Cash and investments are comprised of the following at June 30, 2024:

Deposits		
Cash on hand	$	306
Deposits with financial institutions		217,290
Cash held by fiscal agents		297,842
Investments		
Local Government Investment Pool		1,347,241
Total	$	1,862,679

Deposits

Deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to $250,000 for the aggregate of all demand deposits and the aggregate of all time deposit and interest bearing accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2024, bank balances were fully insured.

Investments

The State Treasurer of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool (LGIP) is part. The state of Oregon's investment policies used in administering the LGIP are governed by statute and the Oregon Investment Council (the Council). The State Treasurer is the investment officer for the Council and is responsible for the funds on deposit in the State Treasury. The State Treasury's investments in short-term securities are limited by the portfolio rules established by the Oregon Short-term Fund Board and the Council. In accordance with Oregon statutes, the investment funds are invested and the investments are those funds managed, as a prudent investor would do, exercising reasonable care, skill, and caution.

2. *CASH AND INVESTMENTS (Continued)*

Investments in the LGIP are carried at fair value, which approximates the value of the pool shares. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the risk that its fair value will decline if interest rates rise. In order to manage the interest rate risk of its investments, the City only invests in the LGIP. The LGIP has rules that require at least 50 percent of its investments to mature within 93 days, not more than 25 percent may mature in over a year, and all other investments must mature in no more than three years.

Custodial Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Council. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP's portfolio rules provide that broker/dealers meet certain qualifications and that investments are delivered to and held by a third-party custodian which holds the securities in the state of Oregon's name.

Cash Held by Fiscal Agents

Cash held by fiscal agents is held by Polk CDC as part of the City's revolving loan fund.

3. LONG-TERM OBLIGATIONS

As a result of the use of the cash basis of accounting, obligations related to long-term debt and other obligations are not reported as liabilities in the financial statements.

Long-term debt transactions for the year ended June 30, 2024 were as follows:

	July 1, 2023	Additions	Payments	June 30, 2024	Due Within One Year
Governmental activities					
Direct borrowings					
Fire truck lease	$ 104,411	$ -	$ (22,919)	$ 81,492	$ 24,922
Polk CDC park loan	39,079	-	(2,128)	36,951	2,149
Total	$ 143,490	$ -	$ (25,047)	$ 118,443	$ 27,071
Business-type activities					
Direct placement					
Water bonds	$ 695,000	$ -	$ (40,000)	$ 655,000	$ 40,000

Loans from Direct Borrowings – Governmental Activities

Polk CDC park loan – In May 2010 the City entered into a loan agreement with Polk CDC to fund park improvements. The loan was for $65,000 and requires annual payments of $2,519 including interest at 1.0% through May 2040.

Fire Truck lease – In April 2023 the City entered into a lease-purchase agreement to acquire a fire truck. The loan was for $104,411 and requires annual payments of $32,045 including interest at 8.74% with the final payment due in April, 2027. The loan is secured by the fire truck.

Bonds payable from Direct Placement Business-type activities

Full Faith and Credit Obligation – In October 2017 the City borrowed $925,000 from US Bank through the Oregon Cities Financing Pool to refinance USDA water revenue bonds that had been issued in 2003. The loan requires semi-annual payments with coupon interest rates from 2.0% to 4.0% with maturity in April 2037.

3. LONG-TERM OBLIGATIONS (Continued)

Future debt service requirements on these long-term obligations for each year ended June 30 are as follows:

Governmental Activities

Fiscal Year	Principal	Interest	Total
2025	$ 27,071	$ 7,492	$ 34,563
2026	29,271	5,292	34,563
2027	31,661	2,902	34,563
2028	2,214	304	2,519
2029	2,236	282	2,519
2030-2034	11,522	1,071	12,593
2035-2039	12,110	484	12,593
2040	2,358	27	2,384
	$ 118,443	$ 17,854	$ 136,298

Business-type Activities

Fiscal Year	Principal	Interest	Total
2025	$ 40,000	$ 21,463	$ 61,463
2026	45,000	19,862	64,562
2027	45,000	18,063	63,063
2028	45,000	16,263	61,263
2029	50,000	14,913	64,913
2030-2034	265,000	50,825	315,825
2035-2039	165,000	9,788	174,788
	$ 655,000	$ 151,175	$ 806,175

4. PENSION PLAN

Plan Description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer pension plan with both defined benefit and defined contribution components. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of OPERS are established by the legislature pursuant to ORS Chapters 238 and 238A. The Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP Pension Program), established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003.

The Individual Account Program (IAP) was created by the Oregon legislature in 2003 to provide an individual account-based retirement benefit for new workers hired on or after August 29, 2003, and for Tier One / Tier Two members active on or after January 1, 2004. The IAP benefit is a defined contribution plan, and it is in addition to the member's defined benefit plan (i.e., Tier One, Tier Two, or OPSRP Pension Programs). OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits Provided

Tier One/Tier Two Retirement Benefit:

Pension Benefits
The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits
Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

4. PENSION PLAN (Continued)

Disability Benefits
A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement
Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2.0 percent.

OPSRP Defined Benefit Pension Program

Pension Benefits
The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and if the pension program is terminated, the date on which termination becomes effective.

Death Benefits
Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits
A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement
Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.00%. The COLA for creditable service earned after October 2013 is calculated as 1.25% on the first $60,000 of annual benefit and $750 plus 0.15 percent on annual benefits above $60,000.

4. PENSION PLAN (Continued)

OPSRP Pension Program

Pension Benefits
The OPSRP Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and if the pension program is terminated, the date on which termination becomes effective.

Death Benefits
Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.00%. The COLA for creditable service earned after October 2013 is calculated as 1.25% on the first $60,000 of annual benefit and 0.15% on amounts above $60,000 of annual benefit.

OPSRP Individual Account Program (IAP)

Pension Benefits
An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a $200 minimum distribution limit.

4. PENSION PLAN (Continued)

Recordkeeping
OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation. The rates based on a percentage of payroll first became effective July 1, 2022. Employer contributions for the year ended June 30, 2024 were $54,820, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2024 were 24.12 percent for Tier One/Tier Two General Service Member, 19.41 percent for OPSRP Pension Program General Service Members, 24.20 percent for OPSRP Police and Fire Members and 6.0 percent for OPSRP IAP.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Since the City's financial statements are reported on the cash basis, no amounts are reported on the statement of net position for pension related assets, deferred outflows, liabilities or deferred inflows. Had the City's financial statements been reported in accordance with GAAP, at June 30, 2024, the City would have reported a liability of $351,067 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the City's proportion was 0.0018743 percent, which was a decrease from its proportion of 0.002607 percent measured as of June 30, 2023.

At June 30, 2024, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,168	$ 1,392
Changes of assumptions	31,187	233
Net difference between projected and actual earnings on investments	6,310	-
Changes in proportionate share	76,807	89,711
Differences between employer contributions and employer's proportionate share of system contributions	-	59,532
Total (prior to post-Measurement Date contributions)	131,472	150,868
Contributions subsequent to the Measurement Date	54,820	-
Total	$ 186,292	$ (19,396)

4. *PENSION PLAN (Continued)*

The $54,820 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows
Amortization Period	
FY 2025	$ (1,735)
FY 2026	(22,932)
FY 2027	20,399
FY 2028	(6,851)
FY 2029	(8,276)
Total	$ (19,396)

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2023 through June 30, 2024 were set using the projected unit credit actuarial cost method. For the ORS 238 Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the ORS 238A OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40%
Investment Rate of Return	6.90%
Discount Rate	6.90%
Projected Salary Increases	3.40%

4. *PENSION PLAN (Continued)*

Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.
	Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)	$ 579,897	$ 351,067	$ 159,561

4. *PENSION PLAN (Continued)*

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Changes in Plan Provisions During the Measurement Period

There were no changes during the June 30, 2023 measurement period that require disclosure.

5. OTHER POST-EMPLOYMENT HEALTH BENEFITS

Retirement Health Insurance Account

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statue (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Because RHIA was created by enabling legislation, contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to $60 or the total monthly cost of Medicare companion health insurance premiums, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of $60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight or more years of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating governments are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC). The ARC represents a level of funding that is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions for the year ended June 30, 2024 equaled the required contributions for the year.

6. ***REVOLVING LOAN FUND***

The City has an agreement with Polk CDC to administer a revolving loan fund on behalf of the City. The loan fund provides Falls City home and business owners with low interest loans for renovation projects. At June 30, 2024 the loan fund had $297,842 in cash and there were $128,807 of outstanding loans.

7. ***CONTINGENCIES***

The City purchases insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. The City has not had any losses in the past three years that have exceeded policy coverage.

8. *EXPENDITURES IN EXCESS OF APPROPRIATIONS*

Oregon law prohibits expenditures of a fund in excess of Council approved appropriations. Expenditures in excess of appropriations in individual funds were as follows for the year ended June 30, 2024:

Fund / Appropriation Category	Appropriation	Disbursement	Variance
General Fund			
Fire	$ 82,800	$ 90,628	$ (7,828)
Parks and cemeteries	9,000	18,154	(9,154)
Council	3,300	5,269	(1,969)
Debt service – principal	2,000	2,128	(128)
Street Fund			
Materials and services	29,500	33,655	(4,155)
Fire Levy Fund			
Materials and services	-	37,126	(37,126)
Debt service - interest	-	9,125	(9,125)
Water Fund			
Personal services	109,577	138,543	(28,966)
Materials and services	93,500	100,386	(6,886)
Debt service	35,000	40,000	(5,000)
Utility Reserve Fund			
Materials and services	-	45,299	(45,299)

9. *SUBSEQUENT EVENTS*

Management has evaluated subsequent events through February 3, 2025, the date on which the financial statements were available to be issued noting no events that require disclosure in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

CITY OF FALLS CITY, OREGON
Schedule of Proportionate Share of Net Pension Liability and Related Ratios

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2024	0.001874%	$ 351,067	$ 215,173	163.16%	81.7%
6/30/2023	0.002607%	$ 399,224	$ 197,935	201.69%	84.5%
6/30/2022	0.002044%	$ 244,591	$ 201,319	121.5%	87.6%
6/30/2021	0.001969%	$ 429,719	$ 187,356	229.4%	75.2%
6/30/2020	0.001674%	$ 289,621	$ 216,939	133.5%	80.2%
6/30/2019	0.001540%	$ 233,299	$ 233,641	99.9%	82.1%
6/30/2018	0.001469%	$ 197,958	$ 184,918	107.1%	83.1%
6/30/2017	0.002377%	$ 356,784	$ 157,064	227.2%	80.5%
6/30/2016	0.002089%	$ 119,996	$ 142,579	84.1%	91.9%

Note: 10-year trend information required by GASB Statement 68 will be presented prospectively

CITY OF FALLS CITY, OREGON
Schedule of the City's Contributions
Oregon Public Employees Retirement System

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2024	$ 54,820	$ 54,820	$ -	$ 215,173	25.5%
6/30/2023	$ 31,226	$ 31,226	$ -	$ 197,935	15.8%
6/30/2022	$ 42,315	$ 42,315	$ -	$ 201,319	21.0%
6/30/2021	$ 31,312	$ 31,312	$ -	$ 187,356	16.7%
6/30/2020	$ 31,683	$ 31,683	$ -	$ 216,939	14.6%
6/30/2019	$ 23,944	$ 23,944	$ -	$ 233,641	10.3%
6/30/2018	$ 20,350	$ 20,350	$ -	$ 184,918	11.0%
6/30/2017	$ 17,732	$ 17,732	$ -	$ 157,064	11.3%
6/30/2016	$ 15,138	$ 15,138	$ -	$ 142,579	10.6%

Note: 10-year trend information required by GASB Statement 68 will be presented prospectively

CITY OF FALLS CITY

Combining Balance Sheet - Nonmajor Governmental Funds (Cash Basis)

June 30, 2024

	Special Revenue			
	Wagner Library 80%	Fire Levy	Luckiamute Community Building	Total
ASSETS:				
Current assets				
Cash and investments	$ 92,215	$ 43,095	$ 332	$ 135,642
FUND BALANCES:				
Restricted for fire service	$ -	$ 43,095	$ -	$ 43,095
Restricted for community development	92,215	-	332	92,547
Total fund balance	$ 92,215	$ 43,095	$ 332	$ 135,642

CITY OF FALLS CITY

Combining Statement Revenues, Expenses and Changes in Fund Balance - Nonmajor Governmental Funds
(Cash Basis)

For the Year Ended June 30, 2024

	Special Revenue			
	Wagner Library 80%	Fire Levy	Luckiamute Community Building	Total
REVENUES:				
Taxes and assessments	$ -	$ 51,128	$ -	$ 51,128
Charges for services	-	-	4,550	4,550
Grants	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	51,128	4,550	55,678
EXPENDITURES:				
Fire service	-	37,126	-	37,126
Community Development	-	-	4,218	4,218
Debt service				
Principal	-	22,919	-	22,919
Interest	-	9,125	-	9,125
Total expenditures	-	69,170	4,218	73,388
Net change in fund balances	-	(18,042)	332	(17,710)
Fund balances, beginning of year	92,215	61,137	-	153,352
Fund balances, end of year	$ 92,215	$ 43,095	$ 332	$ 135,642

CITY OF FALLS CITY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund (Budgetary Basis) For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes and assessments	$ 121,000	$ 121,000	$ 150,218	$ 29,218
Franchise fees	55,550	55,550	75,355	19,805
Grants	126,236	136,236	301,342	165,106
Charges for services	6,800	6,800	49,745	42,945
Intergovernmental	28,500	28,500	34,388	5,888
Miscellaneous	29,500	29,500	72,768	43,268
Total revenues	367,586	377,586	683,816	306,230
EXPENDITURES:				
Administration	272,136	288,636	275,705	12,931
Community development	-	-	-	-
Fire	72,800	82,800	90,628	(7,828)
Parks and cemeteries	9,000	9,000	18,154	(9,154)
Council	3,300	3,300	5,269	(1,969)
Code enforcement and court	36,400	36,400	959	35,441
Debt service				
Principal	2,000	2,000	2,128	(128)
Interest	500	500	391	109
Contingency	628,728	628,728	-	628,728
Total expenditures	1,024,864	1,051,364	393,234	658,130
Transfers	-	-	(350,000)	(350,000)
Net change in fund balances	(657,278)	(673,778)	(59,418)	614,360
Fund balances, beginning of year	657,278	657,278	950,921	293,643
Fund balances, end of year	$ -	$ (16,500)	$ 891,503	$ 908,003

CITY OF FALLS CITY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Street Fund
(Budgetary Basis)
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Intergovernmental	$ 70,000	$ 70,000	$ 82,228	$ 12,228
Grants	520,000	520,000	910	(519,090)
Miscellaneous	-	-	2,900	2,900
Total revenues	590,000	590,000	86,038	(503,962)
EXPENDITURES:				
Personal services	22,000	22,000	17,151	4,849
Materials and services	29,500	29,500	33,655	(4,155)
Capital outlay	520,000	520,000	10,921	509,079
Contingency	78,500	78,500	-	78,500
Total expenditures	650,000	650,000	61,727	588,273
Transfers	-	-	350,000	(350,000)
Net change in fund balance	(60,000)	(60,000)	374,311	434,311
Beginning fund balance	60,000	60,000	(343,230)	(403,230)
Ending fund balance	$ -	$ -	$ 31,081	$ 31,081

CITY OF FALLS CITY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Polk Community Development Fund (Budgetary Basis) For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Miscellaneous	$ 7,000	$ 7,000	$ -	$ (7,000)
Total revenues	7,000	7,000	-	(7,000)
EXPENDITURES:				
Materials and services	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	7,000	7,000	-	(7,000)
Beginning fund balance	270,000	270,000	284,944	14,944
Ending fund balance	$ 277,000	$ 277,000	$ 284,944	$ 7,944

CITY OF FALLS CITY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Wagner Library 80% Fund
(Budgetary Basis)
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Miscellaneous	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Materials and services	-	-	-	-
Contingency	92,215	92,215	-	92,215
Total expenditures	92,215	92,215	-	92,215
Net change in fund balance	(92,215)	(92,215)	-	(92,215)
Beginning fund balance	92,215	92,215	92,215	-
Ending fund balance	$ -	$ -	$ 92,215	$ 92,215

CITY OF FALLS CITY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Fire Levy Fund
(Budgetary Basis)
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes and assessments	$ 50,000	$ 50,000	$ 51,128	$ 1,128
Grants	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	50,000	50,000	51,128	1,128
EXPENDITURES:				
Materials and services	-	-	37,126	(37,126)
Debt service				
Principal	32,000	32,000	22,919	9,081
Interest	-	-	9,125	(9,125)
Contingency	43,000	43,000	-	43,000
Total expenditures	75,000	75,000	69,170	5,830
Net change in fund balance	(25,000)	(25,000)	(18,042)	6,958
Beginning fund balance	25,000	25,000	61,137	36,137
Ending fund balance	$ -	$ -	$ 43,095	$ 43,095

CITY OF FALLS CITY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Luckiamute Community Building Fund (Budgetary Basis) For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Charges for services	$ 12,000	$ 12,000	$ 4,550	$ (7,450)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	13,000	13,000	4,550	(8,450)
EXPENDITURES:				
Materials and services	8,800	8,800	4,218	4,582
Total expenditures	8,800	8,800	4,218	4,582
Net change in fund balance	4,200	4,200	332	(3,868)
Beginning fund balance	25,000	25,000	-	(25,000)
Ending fund balance	$ 29,200	$ 29,200	$ 332	$ (28,868)

CITY OF FALLS CITY

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Sewer Fund
(Budgetary Basis)
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Charges for services	$ 131,000	$ 131,000	$ 148,613	$ 17,613
Grants	2,500,000	2,500,000	1,771,666	(728,334)
Miscellaneous	-	-	-	-
Total revenues	2,631,000	2,631,000	1,920,279	(710,721)
EXPENDITURES:				
Personal services	106,675	106,675	89,533	17,142
Materials and services	37,500	78,442	58,211	20,231
Capital outlay	2,500,000	2,460,944	2,073,894	387,050
Contingency	86,825	86,825	-	86,825
Total expenditures	2,731,000	2,732,886	2,221,638	511,248
Net change in fund balances	(100,000)	(101,886)	(301,359)	(199,473)
Fund balance, beginning of year	100,000	100,000	7,479	(92,521)
Fund balance, end of year	$ -	$ (1,886)	$ (293,880)	$ (291,994)

CITY OF FALLS CITY

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Water Fund
(Budgetary Basis)
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Charges for services	$ 316,500	$ 317,400	$ 318,387	$ 987
Grants	1,000,000	1,000,000	-	(1,000,000)
Total revenues	1,316,500	1,317,400	318,387	(999,013)
EXPENDITURES:				
Personal services	109,577	109,577	138,543	(28,966)
Materials and services	93,500	93,500	100,386	(6,886)
Capital outlay	1,000,000	1,000,000	89	999,911
Debt service				
Principal	35,000	35,000	40,000	(5,000)
Interest	26,800	26,800	23,862	2,938
Contingency	381,623	381,623	-	381,623
Total expenditures	1,646,500	1,646,500	302,880	1,343,620
Net change before transfers	(330,000)	(329,100)	15,507	344,607
OTHER USES:				
Transfers out	-	-	-	-
Net change in fund balances	(330,000)	(329,100)	15,507	344,607
Fund balance, beginning of year	330,000	330,000	404,431	74,431
Fund balance, end of year	$ -	$ 900	$ 419,938	$ 419,038

CITY OF FALLS CITY

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Utility Reserve Fund
(Budgetary Basis)
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Charges for services	$ 50,000	$ 28,951	$ 50,441	$ 21,490
Total revenues	50,000	28,951	50,441	21,490
EXPENDITURES:				
Materials and services	-	-	45,299	(45,299)
Capital outlay	300,000	300,000	14,002	285,998
Contingency	100,000	100,000	-	100,000
Total expenditures	400,000	400,000	59,301	340,699
Net change in fund balances	(350,000)	(371,049)	(8,860)	(319,209)
Fund balance, beginning of year	350,000	433,651	402,311	(31,340)
Fund balance, end of year	$ -	$ 62,602	$ 393,451	$ 330,849

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Dougall Conradie LLC
Certified Public Accountants

Geoffrey Dougall, CPA
Heather Jackson, CPA
Richard Winkel, CPA
Members of AICPA & OSCPA

Independent Auditor's Report Required by Oregon State Regulations

To the City Council
Falls City, Oregon

We have audited the basic financial statements of the City of Falls City (the City) as of and for the year ended June 30, 2024 and have issued our report thereon dated February 3, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of Public Funds with Financial Institutions (ORS Chapter 295)
- Indebtedness limitations, restrictions and repayment
- Budgets legally required (ORS Chapter 294)
- Insurance and Fidelity Bond Coverage
- Public Contracts and Purchasing (ORS Chapters 279A, 279B, 279C)
- Highway revenues used for public highways, roads and streets
- Programs Funded From Outside Sources
- Authorized investment of surplus funds (ORS Chapter 294)

In connection with our testing nothing came to my attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

PO Box 400, Beaverton, OR 97075 • 971 249 9920 • www.cpanw.com

The City had the following expenditures that exceeded appropriations for the year ended June 30, 2024:

Fund / Appropriation Category	Appropriation	Disbursement	Variance
General Fund			
Fire	$ 82,800	$ 90,628	$ (7,828)
Parks and cemeteries	9,000	18,154	(9,154)
Council	3,300	5,269	(1,969)
Debt service – principal	2,000	2,128	(128)
Street Fund			
Materials and services	29,500	33,655	(4,155)
Fire Levy Fund			
Materials and services	-	37,126	(37,126)
Debt service - interest	-	9,125	(9,125)
Water Fund			
Personal services	109,577	138,543	(28,966)
Materials and services	93,500	100,386	(6,886)
Debt service	35,000	40,000	(5,000)
Utility Reserve Fund			
Materials and services	-	45,299	(45,299)

As of June 30, 2024 the Sewer Fund had a fund deficit of $293,880.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Restriction on Use

This report is intended for the information and use of the city council and management of the City of Falls City and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

DOUGALL CONRADIE LLC
Portland, Oregon
February 3, 2025

By:_____
Richard Winkel, Partner

STAFF REPORT

TO: HONORABLE MAYOR, AND CITY COUNCIL

FROM: CITY MANAGER, AJ FOSCOLI

SUBJECT: RECYCLING MODERNIZATION ACT

DATE: 3/3/2025

SUMMARY

DEQ has been working for the past couple of years to introduce new standards for recycling in the state of Oregon. The city has had previous presentations from our local waste management hauler, Republic Services, about continuing and expanding its work for the community's residents.

BACKGROUND

Local governments may receive compensation for eligible costs in five categories from the Producer Responsibility Organization (PRO) under the Recycling Modernization Act (RMA). PRO compensation may be provided in advance or as reimbursement for eligible costs, as indicated in OAR 340-090-0810. Local governments may elect to receive PRO compensation directly and retain responsibility for distributing it to service providers or other entities that incur eligible costs, or they may authorize the service providers and/or other entities that incur eligible costs to receive compensation directly from the PRO. This process is called Funding Authorization, and additional coordination with the PRO will be needed for any entity, including the local government, receiving PRO funding. DEQ is requiring to have all of the funding authorizations in place by March 31 for a program start on July 1, 2025. Republic Services has worked with the City of Falls City, in communicating these changes of the Recycling Modernization Act (RMA), and is the regional Producer Responsibility Organization (PRO).

FINANCIAL IMPLICATIONS

The preferred option is to have the RMA funding pass directly to Republic Services for their implementation on Falls City's behalf. As Falls City is in the smallest category of cities, it could potentially receive approximately $3,000 for the implementation of the RMA rules, though the actual number is still being determined by DEQ.

STAFF RECOMMENDATION

Staff recommends to City Council to authorize Republic Services to receive the funding for implementation of the RMA on Falls City's behalf.

PROPOSED MOTION

Recommend a motion to authorize Republic Services to receive the funding for implementation of the RMA on Falls City's behalf.

EXHIBITS

Exhibit A – Funding Authorization Form A
Exhibit B – Funding Authorization Form B
Exhibit C – Funding Authorization Form C
Exhibit D – DEQ Factsheet
Exhibit E – Falls City DEQ RMA Survey 2023

State of Oregon Department of Environmental Quality

Local Government Funding Authorization Form

Instructions: Local governments are required to identify to DEQ any and all service providers or other entities that are authorized to receive compensation directly from a producer responsibility organization on behalf of the local government, pursuant to ORS 459A.890.

For each of the five categories of PRO compensation, local governments may choose to authorize all, some, or none of the compensation. This form should be filled out by a representative of the local government with the authority to make funding decisions.

Please refer to the Funding Authorization Process Factsheet and Instructions for more information and instructions, including additional details about funding authorization types, eligible expenses, regional DEQ staff contact information, planning process assistance, and next steps for local governments.

Local Government Funding Authorization

1.	Local Government:	City of Falls City *City or County*	
2.	Authorized Contact Person*:	AJ Foscoli *Print first and last name*	City Manager *Title*
2.a	Contact Information:	manager@fallscityoregon.gov *Email*	503-787-3631 *Phone*

3. Do you authorize one or more service providers or other entities to receive advanced funding or reimbursement for eligible expenses from a producer responsibility organization pursuant to ORS 459A.890? Indicate your response for EACH Funding Category on the second page of this form using the drop downs.

Authorization Instructions

Full Authorization means:
(1) You are authorizing one or more service providers and/or other entities to receive **ALL** eligible compensation in that funding category directly from a PRO on behalf of your local government; and
(2) Your local government will **not retain any** eligible compensation in that funding category.
After selecting **Full Authorization** for a funding category, complete Authorized Service Providers or Other Entities below, complete the Authorizations Form on Tab 2, and generate all Service Provider Forms on Tab 3.

Partial Authorization means:
(1) You are authorizing one or more service providers and/or other entities to receive **some** of the eligible compensation in that funding category directly from a PRO on behalf of your local government; and
(2) Your local government will retain **some** of the eligible compensation in that funding category and will be responsible for distributing funding to any other entities incurring eligible costs. *Please note that all PRO funding must be distributed to the entity that incurs eligible costs.*
After selecting **Partial Authorization** for a funding category, complete Authorized Service Providers or Other Entities below, complete the Authorizations Form on Tab 2, and generate all Service Provider Forms on Tab 3.

No Authorization means:
Your local government is **retaining all** eligible compensation in that funding category and will be responsible for distributing funding to any other entities incurring eligible costs. *Please note that all PRO funding must be distributed to the entity that incurs eligible costs.*
If selecting **No Authorization** for all categories, sign at the bottom of this form where indicated and submit only this completed form to the DEQ.

** 2 - A PRO is required to notify a local government in writing any time a payment is made to an authorized service provider or other entity. Please specify the authorized contact person that should receive these notifications from a PRO. (ORS 459A.890 (10).*

DEQ Materials Management Program
700 NE Multnomah Street, Suite 600, Portland, Oregon 97232
Phone: 503-229-5696, Toll Free in Oregon: 800-452-4011

Local Government Funding Authorization Form

Local Government:	City of Falls City

No.	Authorization	Funding Categories
1.	Full Authorization	**Transportation:** Includes the cost to receive, consolidate, load and transport covered products to the appropriate destination as detailed in OAR 340-090-0770.
2.	Full Authorization	**Contamination Evaluation**: The costs of periodically evaluating the quality and contamination of collected materials at a location other than a commingled recycling processing facility, pursuant to ORS 459A.929 and OAR 340-090-0810.
3.	Full Authorization	**Contamination Reduction Programming:** The costs of contamination reduction programming required by ORS 459A.929.
4.	Full Authorization	**Recycling Service Expansion Identified in the Needs Assessment:** Funding for on-route expansion including equipment, staffing, and location development, and for recycling depot start-up and operational costs according to OAR 340-090-0800.
5.	Full Authorization	**Post-Consumer Recycled Content in Collection Containers:** The costs of complying with ORS 459A.908, to the extent that the use of at least 10% post-consumer recycled material is more expensive than the lowest priced alternative.

Local Government Instructions: Use this form to list the service providers or other entities that you are authorizing to receive funding from a PRO directly. This information will populate fields in the remaining forms on tabs 2 and 3. Use additional forms if needed (Tab 1.A - Add'l Forms).

Authorized Service Providers or Other Entities				
No.	**Registered Business Name**	**Applicable Service Area[s]**	**Contact Email**	**Contact Phone**
1	Republic Services	City of Falls City	KLarson4@republicservices.com	*541-974-0368*
2				
3				
4				
5				
6				
7				
8				

By signing this document you certify that the authorizations contained within are made in good faith cooperation with all parties, that all parties understand and acknowledge the rules and statutes for receiving funding from a PRO, and that your local government is responsible for distributing retained PRO funding to the entity that incurs eligible costs.

Authorized Local Government Official	AJ Foscoli	City Manager	
	Print first and last name	*Title*	
	Signature	*Date*	

DEQ Materials Management Program
700 NE Multnomah Street, Suite 600, Portland, Oregon 97232
Phone: 503-229-5696, Toll Free in Oregon: 800-452-4011

State of Oregon
Department of
Environmental
Quality

Local Government Funding Authorization Form

Local Government:	City of Falls City

Local Government Instructions: For each funding category, consult with the service providers and/or other entities that will incur costs that are eligible for PRO compensation. Use the drop downs to identify the service providers and/or other entities authorized to receive PRO compensation directly. Notes are optional and can be used to clarify expectations, funding allocations, or responsibilities.

Please refer to the Local Government Funding Authorization Process Factsheet and Instructions for more information and to find contact information for your regional RMA Technical Assistant.

1. Transportation

	Authorized Service Providers or Other Entities (Select from dropdown menu)	Notes (Optional)
1	Republic Services, City of Falls City	
2		
3		
4		
5		
6		
7		
8		

2. Contamination Evaluation

	Authorized Service Providers or Other Entities (Select from dropdown menu)	Notes (Optional)
1	Republic Services, City of Falls City	
2		
3		
4		
5		
6		
7		
8		

DEQ Materials Management Program
700 NE Multnomah Street, Suite 600, Portland, Oregon 97232
Phone: 503-229-5696, Toll Free in Oregon: 800-452-4011

3. Contamination Reduction Programming		
	Authorized Service Providers or Other Entities (Select from dropdown menu)	**Notes (Optional)**
1	Republic Services, City of Falls City	
2		
3		
4		
5		
6		
7		
8		

4. Recycling Service Expansion		
	Authorized Service Providers or Other Entities (Select from dropdown menu)	**Notes (Optional)**
1	Republic Services, City of Falls City	
2		
3		
4		
5		
6		
7		
8		

5. 10% Post-Consumer Recycled Materials in Collection Containers		
	Authorized Service Providers or Other Entities (Select from dropdown menu)	**Notes (Optional)**
1	Republic Services, City of Falls City	
2		
3		
4		
5		
6		
7		
8		

State of Oregon
Department of
Environmental
Quality

Service Provider or Other Entity Form

Local Government:	City of Falls City

Local Government Instructions: This form can be used to automatically generate authorization forms for your service provider to sign and return to you. This form verifies the service providers' acknowledgement of funding authorizations and the rules and statutes for receiving funding from a PRO. Select one service provider at a time in the first Green Box and the remainder of the form will be populated and ready to convert to a PDF and send to your service provider by mail or email. Adding comments in section 3 is optional.

Service Provider Instructions: If you are receiving this form, your organization or business has been authorized by the local government at the top of this page to receive advanced funding or reimbursement from a producer responsibility organization for eligible costs associated with the requirements of: ORS 459A.908, ORS 459A.929, and OAR 340-090-0770 through OAR 340-090-0810. Verify your business name is correct, and include your information in the GREEN boxes below. Sign and return this form to the local government that sent it.

1. Authorized Service Provider or Other Entity			
Registered Business Name, Applicable Area: (Drop down menu)	Republic Services, City of Falls City		
Contact Email:	KLarson4@republicservices.com	**Phone:**	541-974-0368

2. Funding Categories for Authorized Service Providers or other Entities			
Funding Authorizations		**Reference:**	**Authorization Notes**
1	**Transportation**	OAR 340-090-0770	
2	**Contamination Evaluation**	OAR 340-090-0810 ORS 459A.929	
3	**Contamination Reduction**	ORS 459A.929	
4	**Recycling Service Expansion**	OAR 340-090-0800	
5	**Collection Containers**	ORS 459A.908	

DEQ Materials Management Program
700 NE Multnomah Street, Suite 600, Portland, Oregon 97232
Phone: 503-229-5696, Toll Free in Oregon: 800-452-4011

RMA Local Government Funding Authorization Form for Service Providers or Other Entities

DISCLAIMER: By signing this document you certify the following:

1. You are an authorized representative of the service provider or other entity listed in Section 1 (Service Provider or Other Entity).
2. You have read and understand the authorizations granted to your organization as described in section 2 (Authorized Funding Categories).
3. You have read and understood the rules and requirements for the funding that you are authorized to receive;
4. You acknowledge and understand that as a condition of receiving PRO funding, you will be required to enter into contractual agreements with the local government and a PRO; and
5. You acknowledge and understand this document fulfills a local government's requirements under ORS 459A.890 (12) and does not supersede any current contractual agreements between your organization and the local government.

Authorized Service Provider Representative

Print first and last name	*Title*
Email	*Phone*
Signature	*Date*

DEQ Materials Management Program
700 NE Multnomah Street, Suite 600, Portland, Oregon 97232
Phone: 503-229-5696, Toll Free in Oregon: 800-452-4011

From DEQ's Regional RMA Technical Assistant Western Region, Salem Office:

DEQ is NOT designating specific dollar amounts with the Funding Authorization. Those details will be determined during the contracting period with CAA, but in general, below are some following guidelines for funding:

For Transportation, the funding will cover the costs of transporting covered products more than 50 miles from a recycling depot or reload facility to the nearest commingled recycling processing facility or responsible end market.

For Contamination and Evaluation, the PRO is going to take on these expenses, so the cities will be not be responsible for this.

For Contamination Reduction Programming, funding will be **up to $3** per capita per year.

For Recycling Service Expansion, the funding will the city's request in the 2023 Needs Assessment.

Purchasing containers, will depend on the cost of containers at that time.

Population: 1028	Service Provider(s): Republic services	
Respondent: Lori Jean Sickles (City council)	Email: lorisickles63@gmail.com	Phone: 5039919924
Existing Services: Single-family on-route recycling collection; Multifamily on-route recycling collection; Commercial on-route recycling collection; Commercial on-route recycling collection;		
Interest in Expanding Recycling Services in 2025-2027: Yes		
New on-route recycling collection: No		
Expanding on-route recycling collection to accommodate new materials: No		
New recycling depots: No		
Expanding existing recycling depots: No		
New recycling reload facility, if needed: No		
Expanding existing recycling reload facility: No		

Population: 1028 Service

Provider(s): Republic Services

Respondent: Lori Jean Sickles (City council)

Email: lorisickles63@gmail.com

Phone: 5039919924

Existing Services: Single-family on-route recycling collection; Multifamily on-route recycling collection; Commercial on-route recycling collection; Commercial on-route recycling collection;

Interest in Expanding Recycling Services in 2025-2027: Yes

New on-route recycling collection: No

Expanding on-route recycling collection to accommodate new materials: No

New recycling depots: No

Expanding existing recycling depots: No

New recycling reload facility, if needed: No

Expanding existing recycling reload facility: No

STAFF REPORT

TO: HONORABLE MAYOR, AND CITY COUNCIL

FROM: CITY MANAGER, AJ FOSCOLI

SUBJECT: PROPOSED PENALTY FEES FOR OVERSIZED VEHICLES ILLEGALLY PARKING

DATE: 3/3/2025

SUMMARY

The city plans of instituting Penalty Fees for Oversized Vehicles Illegally Parked on city streets, right-of-way and city parks.

BACKGROUND

The city of Falls City has had difficulty in the past in controlling illegal parking in Falls City, especially recreational vehicles which routinely park for extended periods of time, in various city streets, causing traffic disruptions. Since the hiring of the Code Enforcement officer, and the subsequent contract for a 25% FTE Deputy with the Polk County Sheriff's Office, the city has made progress in curtailing parking overstays. This has progressed even further with the passing of Ordinance 569-2025, making any oversized vehicle parking on city streets, right-of-way and city parks illegal (without prior approval). The proposed Penalty Fees would apply to any oversized vehicle illegally parking.

FINANCIAL IMPLICATIONS

The towing fines of oversized vehicles would be borne by the vehicle's registered owners, in addition to the sum of $100 per each 24-hour period the violation continues.

STAFF RECOMMENDATION

Staff recommends to City Council to approve Resolution 03-2025, instituting Penalty Fees for Oversized Vehicles Parking Illegally.

PROPOSED MOTION

Recommend a motion to approve Resolution 03-2025, instituting Penalty Fees for Oversized Vehicles Parking Illegally.

EXHIBITS

Exhibit A – Resolution 03-2025

RESOLUTION 03-2025

A RESOLUTION INSTITUTING PENALTY FEES
FOR OVERSIZED VEHICLES ILLEGALLY PARKING

Whereas, The City of Falls City has passed Ordinance 569-2025 banning oversized vehicle parking at any time on city streets, right-of-way and city parks; and

Whereas, The City of Falls City will be fining any person violating Ordinance 569-2025 for the total cost of towing an oversized vehicle illegally parking; and

Whereas, The City of Falls City will be fining any person violating Ordinance 569-2025 a fine not to exceed the sum of $100 per each 24-hour period the violation continues; and

Whereas, ORS 294.160 requires opportunity for public comment on new fee or fee increase

Now therefore, be it resolved by the City Council of Falls City as follows:

This resolution takes effect immediately upon passage.

Approved by the City Council of Falls City this 3rd day of March 2025.

Vote:

AYE_____ NAY_____ ABSTAIN_____ ABSENT_____

Attest:

_____ _____
TJ Bailey, Mayor Jeremy Teal, City Recorder