



BOARD OF COMMISSIONERS
Agenda Item Summary

Agenda Category: Agreement

Item No:

Date: 05/07/2019

Originating Department: BOCC

Issue: In the matter of Amendment 1 to the Intergovernmental Agreement with the Klamath Falls City School District.

Background: On February 27, 2019 the Klamath County Board of Commissioners entered into an Intergovernmental Agreement to loan the Klamath Falls City School District \$4,500,000.00 for completion of the construction project at Klamath Union High School. It was recently noted that there is an error in the Oregon Revised Statute cited in the agreement, ORS 294.060 should be replaced with ORS 368.709. Amendment 1 rectifies the error.

Fiscal Impact: None.

Recommended Motion: Approve and sign the attached Amendment 1 to the Intergovernmental Agreement with the Klamath Falls City School District. There is no Fiscal Impact.

DONE AND DATED this 7th day of May, 2019.

Chair

Approved
Denied

Vice-Chair

Approved
Denied

Commissioner

Approved
Denied

Amendment Number 1
To
Intergovernmental Agreement
Between Klamath County
And
Klamath Falls City School District

PARTIES: Klamath County ("County"); and
Klamath Falls City School District ("City")

DATE: 4-19- 2019

The Agreement between the parties with the effective date of February 27, 2019, is hereby amended as follows:

1. **ORS 368.709 shall replace ORS 294.060 in all areas referenced in the agreement.**

No other clause or condition of the Agreement is revised or altered by this Amendment.

COUNTY:

Klamath County Board
of Commissioners:
305 Main Street
Klamath Falls, OR 97601
(541) 883-5100

CITY:

Klamath Falls City School District
Paul Hilyer, City School Superintendent
1336 Avalon St.
Klamath Falls, OR. 97603
Phone: (541) 883-4700

**KLAMATH COUNTY
BOARD OF COMMISSIONERS:**

KLAMATH FALLS CITY SCHOOL DISTRICT:

Chair

Paul Hilyer
City School Superintendent

Commissioner

[Signature] 4-19-19
School Board Chair

Commissioner

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**

Mika N. Blain
Klamath County Counsel



BOARD OF COMMISSIONERS
Agenda Item Summary

Agenda Category: Prior Approved/Agreement	Item No: 4.1
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Meeting Date: 03/12/2019

Originating Department: BOCC

Issue: In the matter of an Intergovernmental Agreement with the Klamath Falls City School District.

Background: Oregon Revised Statue 294.060 allows for loans from federal sources of the Klamath County road fund to any taxing district located within the County. The Klamath Falls City School District has asked for a loan not to exceed \$4,500,000.00 for completion of the construction project at Klamath Union High School. On October 30, 2018 the County Commissioners approved this request in a public meeting.

Fiscal Impact: Principal loan amount shall not exceed \$4,500,000.00

Recommended Motion: See attached agreement

INTERGOVERNMENTAL AGREEMENT

Between Klamath County

and

Klamath Falls City School District

WHEREAS, the Klamath County Board of Commissioners met in a publicly advertised meeting on October 30, 2018, and

WHEREAS, the Klamath Falls City School District has submitted a formal request for a loan pursuant to ORS 294.060 in the amount of \$4,500,000 for completion of the construction project at Klamath Union High School, and

WHEREAS, the Klamath County Board of Commissioners has agreed to provide said loan to the Klamath Falls City School District for that purpose, and

WHEREAS, Oregon Revised Statute 294.060 allows for loans from federal sources in the county road fund of Klamath County to school funds of the County pursuant to a legally binding intergovernmental agreement or loan agreement, subject to all the terms and provisions of the statute.

THEREFORE, BE IT RESOLVED that the Board of County Commissioners of Klamath County, Oregon hereby agree to establish an intergovernmental agreement between the Klamath Falls City School District and the Klamath County Road Federal Reserve Fund as described below:


1. **LOAN FUNDING SOURCE:** Klamath County Road Federal Reserve Fund (2310-3010-3013-3000)
2. **LOAN RECIPIENT:** Klamath Falls City School District
3. **PURPOSE OF LOAN:** The loan shall be used to fund the remainder of the construction project at Klamath Union High School.
4. **PRINCIPAL AMOUNT:** The principal amount shall not exceed \$4,500,000.00.
5. **RATE OF INTEREST:** Interest hereunder shall be calculated at the current Local Government Investment Pool (LGIP) rate in effect at the date of the loan plus 1% and shall be adjusted on the first day of January of each year, but will not go below 2.00% or exceed 5.00% at any time during the life of the loan.
6. **DISTRIBUTION:** Loan funds shall be advanced to the recipient on March 1, 2019, June 1, 2019 and November 11, 2019. Klamath Falls City School District shall submit written requests to the Klamath County Treasurer prior to disbursing the funds.
7. **TERM OF LOAN:** This loan will mature on or before August 1, 2038. An annual payment of \$236,842.11, plus accrued interest, shall be payable on the 1st day of each August of every year until paid in full with the remaining balance due no later than August 1, 2038. The first annual payment shall be due on August 1, 2020. Accrued interest will be calculated through the day of distribution of the proceeds. The Klamath Falls City School District may choose to pay the full amount due plus accrued interest at any time prior to loan maturity by issuing a check for payment payable to Klamath County.
8. **GRACE PERIOD:** Klamath County will give the Klamath Falls City School District a thirty (30) day grace period. Any payment that is past the thirty (30) day grace period shall be assessed a penalty equal to 5% of the principal and interest due at the time of the payment. All costs associated with collection of the note will be borne by the Klamath City School District.


9. **REMEDIES:** If Klamath Falls City School District fails to pay this loan on the date and stated terms above then interest shall commence to accrue at the rate of LGIP plus 5% per annum from the maturity date until paid.
10. **CHANGE OF LAW.** If a change of law of applicable law occurs after the date that this Intergovernmental Agreement is signed and if Klamath Falls City School District is in default under this Agreement, Klamath Falls City School District grants Klamath County the ability to petition the Oregon State School Fund to consider the loan a receipt that would reduce the Klamath City School District's disbursements from the State School Fund, and allow for payment to Klamath County for the outstanding principal due plus interest.
- "Change of law" means coming into effect after the date of this Intergovernmental Agreement. "Applicable law" means laws and other instruments/subordinate legislation having force of law. For the avoidance of doubt, applicable law shall include any applicable statute, ordinance, decree, regulation, judgment of a relevant court of law which changes the interpretation of the applicable law, or by-law or any rule, directive or any other approval issued by any authority which has appropriate jurisdiction.
11. **AMENDMENTS.** The terms of this Agreement may not be altered, modified, supplemented or otherwise amended, except by written agreement of the Parties.
12. **ADDITIONAL PROVISIONS:** The governing bodies of Klamath County and Klamath Falls City School District shall account for the loan and the repayment obligation, including interest, in their annual budgets for the term of the loan.

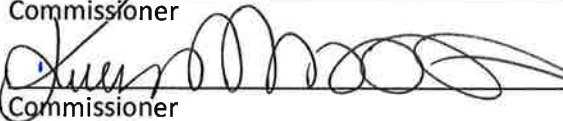
DONE AND DATED THIS 27th day of February, 2018

**KLAMATH COUNTY
BOARD OF COUNTY COMMISSIONERS**

KLAMATH FALLS CITY SCHOOL DISTRICT


Chair


Commissioner


Commissioner


City School Superintendent


Board Chair
Klamath Falls City School District

Approved as to form and
Legal Sufficiency:


Mika N. Blain
County Counsel