

Special City Council Meeting Agenda

Thursday, May 19, 2016, 4:00 PM

City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415

The City Council will meet in Executive Session at 4:00 PM, in the City Manager's office, under the authority of ORS 192.660(2)(h), "to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed," under ORS 192.660 (2) (e), "to conduct deliberations with persons designated by the governing body to negotiate real property transactions," and under ORS 192.660(2)(f), "to consider information or records that are exempt by law."

1. Call To Order
2. Pledge Of Allegiance
3. Roll Call
4. Staff Reports
 - a. Settlement Agreement And Release Of Claims With Wild Rivers Golf Management, LLC.
Documents: [SETTLEMENT.CAR.PDF](#)
 - b. Golf Course Management Agreement
Documents: [EMT AGREEMENT.CAR.PDF](#), [EMT AGREEMENT.ATT.A.AGREEMENT.PDF](#)
 - c. Golf Cart Purchase
Documents: [GOLF CARTS.CAR.PDF](#), [GOLF CARTS.ATT.A.16-O-1077.PDF](#)
5. Remarks From Mayor And Councilors
6. Adjournment

*Obtain Public Comment Forms and view the agenda and packet information on-line at www.brookings.or.us, at City Hall and at the local library. Return completed Public Comment Forms to the City Recorder before the start of meeting or during regular business hours.

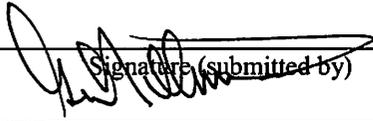
All public meetings are held in accessible locations. Auxiliary aids will be provided upon request with at least ten days advance notification. Please contact 469-1102 if you have any questions regarding this notice.

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: May 19, 2016

Originating Dept: City Manager



Signature (submitted by)

City Manager Approval

Subject: Settlement Agreement and Release of Claims with Wild Rivers Golf Management, LLC.

Recommended Motion:

Motion to authorize City Manager to execute Settlement Agreement and Release of Claims with Wild Rivers Golf Management LLC.

Financial Impact:

City will recover the value of remaining rent due, maintenance/repair costs and business transition costs through transfer of assets from WRGM to City.

Background/Discussion:

The City terminated the lease agreement for Salmon Run Golf Course with Wild Rivers Golf Management (WRGM) LLC. There were three years remaining on the lease agreement term. In wrapping up the transition operations and maintenance transition from WRGM, there were a number of issues relating to provisions in the lease agreement concerning maintenance of facilities, property tax payment and unpaid operations related bills that needed to be addressed.

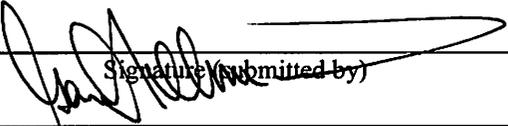
The City has developed a Settlement Agreement and Release of Claims through which the City agrees to pay the cost of restoring facilities and paying for services for which WRGM was responsible, and which satisfies the \$60,000 in remaining rent due under the terms of the lease agreement. Under the Settlement Agreement and Release of Claims, the parties agree that certain assets owned by WRGM would be transferred to City ownership as settlement of financial obligations, and that both parties would release any and all future claims.

Details of the Settlement Agreement and Release of Claims are still being resolved and it is anticipated that a final Agreement will be provided at the City Council meeting.

CITY OF BROOKINGS
COUNCIL AGENDA REPORT

Meeting Date: May 19, 2016

Originating Dept: City Manager



Signature (Submitted by)

City Manager Approval

Subject: Golf Course Management Agreement

Recommended Motion:

Motion to authorize City Manager to execute Golf Course Management Agreement with the Early Management Team, Inc.

Financial Impact:

The City has assumed the operation and maintenance of the Salmon Run Golf Course following the termination of a lease agreement with Wild Rivers Golf Management. Rather than seek a new lease operator or hire staff to manage and maintain the golf course, the City has chosen to contract for operation and maintenance. The City should anticipate that there will be costs arising from the maintenance of the access road, parking lots, cart roads, buildings and water supply systems that will be the responsibility of the City as property owner, and that will likely not be funded through revenues derived from golf course operations. It is anticipated that most of the income from golf course operations will be retained by the contract operator as a management fee.

Background/Discussion:

The City entered into an interim golf course management agreement with the Early Management Team (EMT) on March 31, 2016, with an initial 30-day term, renewable for an additional 30 days. The renewal provision has been activated and the interim agreement now expires May 30, 2016.

The City also entered into a temporary agreement with Harriet Opshal, doing business as Oceanside Diner/Jack Creek Café, for continued operation of a restaurant in the clubhouse building for 60 days. That agreement is coming to conclusion.

At its meeting of April 11, 2016, the City Council authorized the City Manager to negotiate a longer term agreement with EMT. A proposed agreement has been developed and is now submitted for City Council consideration.

The agreement would have an initial term of three years, and includes two three-year options to renew. The agreement provides that EMT would provide all labor, materials and equipment to manage and maintain and operation of the golf course, and that the City would be responsible for major maintenance of physical improvements including roads, roadside ditches and drainage culverts, buildings and cart roads. The City would also be responsible for providing the water source for the golf course and maintaining the potable water system.

As compensation for providing management services, EMT will retain 100 per cent of the first \$50,000 of all net income received annually and 80 per cent of all income received in excess of \$50,000 annually. Revenues received by the City would be used to assist in funding major capital improvements. With respect to major improvements, the City and EMT would jointly determine the nature of any improvements and who would be responsible for funding those improvements.

Under the agreement, EMT would subcontract the operation of the restaurant to Opshal.

EMT would provide quarterly financial reports and copies of income tax returns to the City to enable the City to monitor the financial condition of the operation, and have sufficient information to review in connection with future operational decisions and contracts.

It should be noted that other potential management contractors who submitted proposals were seeking a \$100,000 base management fee and golf course consultant James Keegan estimated that the City would need to pay at least \$75,000 annually for a golf course manager.

Policy Considerations:

Assuming responsibility for the operation and maintenance of the Salmon Run Golf Course...which is owned by the City of Brookings...is a major policy change with respect to this facility which has been operated under a lease arrangement since the inception of the golf course in 1997.

Attachment(s):

- a. Golf Course Management Agreement.

GOLF COURSE MANAGEMENT AGREEMENT

This Golf Course Management Agreement (“Agreement”) is entered into by and between the City of Brookings, an Oregon municipal corporation (the “City”), and Early Management Team, Inc., an Oregon corporation (EMT), whereby EMT will provide golf course management services.

RECITALS

- A. The City owns a golf course known as Salmon Run Golf Course, located at 99040 South Bank Chetco River Rd (the property and the improvements are herein referred to as the “Golf Course”).
- B. Salmon Run Golf Course consists of an 18-hole golf course, driving range, shop building, clubhouse and associated business operation.
- C. EMT has expressed a willingness to manage the golf course for the City.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

- 1.0 **MANAGEMENT.** City hereby retains, engages and appoints EMT as City’s agent to supervise, manage, direct, and operate the Golf Course on behalf of and for the account of City. EMT hereby accepts said appointment upon and subject to the terms and conditions hereof and at all times consistent with the Business Plan approved by City. City hereby delegates to EMT the discretion and authority to determine operating policies and procedures, standards of operation, house rules, standards of service and maintenance, fees and other pricing, and other policies, rules, and regulations affecting the Golf Course or the operation thereof, to implement all of same, and to perform any act on behalf of City deemed by EMT to be necessary or desirable for the operation and maintenance of the Golf Course. EMT shall have the authority and responsibility for the administration, operation and management of the Golf Course, including, without limitation, course maintenance, building maintenance, equipment maintenance, food and beverage provision, merchandise, service, accounting and financial reporting.
- 2.0 **TERM.** This Agreement has a term of 36 months, commencing on _____, 2016 and terminating on _____, 2019. This Agreement may be extended for two additional 36 month periods upon the written consent of both parties.
- 3.0 **BUSINESS PLAN.** EMT has developed a Business Plan attached hereto as Exhibit A. It is acknowledged that the parties have entered into this Agreement with reliance upon said Business Plan.

- 3.01 As conditions warrant, EMT shall revise the Business Plan and present revisions to the City for approval. EMT shall not be deemed to have made any guarantee or warranty in connection with the results of operations or performance set forth in the Business Plan since the parties acknowledge that the Business Plan is intended to set forth objectives and goals based upon EMT's judgment and the facts and circumstances known by EMT at the time of preparation.
- 3.02 On an annual basis, EMT shall update the Business Plan no later than July 1 and submit it to City for City's review and written approval. City shall give its comments and/or approval of the updated Business Plan within thirty (30) calendar days after receiving the Business Plan from EMT. In the event of disapproval of the Business Plan (or any portion thereof), EMT shall use commercially reasonable efforts to operate the Golf Course pursuant to the terms of this Agreement until such time as City and EMT agree upon revisions to the Business Plan.
- 4.0 **SCOPE OF SERVICES.** EMT will provide all labor and materials, unless otherwise specified in this Agreement, for the operation and maintenance of the Golf Course including, but not limited to, the following:
- a. Supervision of the starting of play by golfers.
 - b. Supervision of play on the course.
 - c. Enforcement of all rules and regulations relative to the golf course.
 - d. Establish and collect greens fees and membership fees.
 - e. Provision and maintenance of rental equipment, (i.e. carts, clubs).
 - f. Provide an operating fleet of carts to handle the requirements of the course; return carts to storage area each evening; account for all carts at end of the day; collection of fees for use of carts.
 - g. Organize, supervise and direct volunteers
 - h. Maintain all internal signs
 - i. Provision of range balls that are in a reasonable condition for rental; keep range tee area neat.
 - j. Provide proper and professional maintenance for course fairways, driving range, greens, shrubs and trees. EMT will at its sole cost and expense be responsible for supplies and labor to meet this requirement excluding irrigation water supply. Watering to be done at night as much as possible.
 - k. Operate and maintain a friendly, reputable pro shop, practice range and golf course.
 - l. Maintain the Pro Shop in a clean, presentable, and well stocked condition; keep the Pro Shop open during normal hours of operation; keep knowledgeable staff on hand to help until all bags and carts have been returned each day and play is finished.
 - m. Maintain score cards, divit tools, tees and golf balls at all time.
 - n. Organize, advertise and operate golf tournaments.
 - o. Market the golf course and events.
 - p. Operate the clubhouse and outside meeting, snacking area.
 - q. Repair and maintenance of golf carts, mowers and tractors and other equipment.

- 5.0 **RESPONSIBILITIES OF CITY.** City shall be responsible for the following:
- a. Maintaining the access road in good repair
 - b. Maintaining cart roads in good repair
 - c. Maintaining bridge structure in good repair
 - d. Maintaining roadside drainage, ditches and culverts
 - e. Maintaining potable water system, including source of supply, treatment and distribution
 - f. Maintaining equipment and piping used to extract irrigation water from the Freeman Ranch well and the transmission main connecting to the golf course irrigation system
 - g. Maintaining the on-site sewage collection system, but not including periodic pumping of the septic tank
 - h. Maintaining the shop building structure including roof
 - i. Providing and maintaining an event tent adjacent to the clubhouse
 - j. Providing and maintaining an entrance sign at South Bank Chetco River Road
 - k. Service direction signs on Highway 101 from the Oregon Department of Transportation
- 6.0 **CONDITION OF PROPERTY.** EMT will accept all properties, facilities, and equipment "as is" in their present existing condition. The City and EMT will work together to identify urgent needs for construction and repair of facilities during the term of this Agreement. The parties will agree as to which party will be responsible for making the repairs on a project by project basis.
- 7.0 **USE OF PROPERTY.** City hereby grants to EMT the right to use the property that constitutes the Golf Course for the purposes set forth herein (it being understood that the right of possession remains with the City and that the City may enter Golf Course at any time).
- 7.01 **City Tournaments.** EMT agrees to waive entry fees (consisting of green fees and cart fees) for the use of the Golf Course for the conduct of one city-sponsored fundraising tournament annually.
- 8.0 **UTILITIES.** All utilities, including, but not limited to, telephone, internet, electric, gas, sewage/garbage, cable, and all other utilities will be the responsibility of EMT. The provision of both potable and irrigation water will be the responsibility of the City.
- 9.0 **SECURITY.** EMT will at all times during the term of this Agreement provide adequate security and safety measures necessary to protect the Golf Course and any persons, including EMT's employees, invitees, agents, and members of the general public, from risk of harm arising from EMT's management of the Golf Course.
- 10.0 **JACK CREEK.** EMT will endeavor to retain the natural golf features and aesthetic beauty of Jack Creek Valley. EMT will work closely with the appropriate governmental agencies to meet this obligation. EMT will not use any pesticides or fertilizers which require a permit, or allow any pesticides or fertilizers to enter Jack Creek.

- 11.0 WASTE. EMT must not commit or suffer to be committed any waste upon the Golf Course premises or allow any nuisance, unreasonable noise, odor, or other act or thing that may disturb the quiet enjoyment of any other person(s) or entities located on or near the Golf Course premises.
- 12.0 DISASTER ASSISTANCE. In the event the golf course suffers damage as a result of a disaster event declared by the President, whereby disaster assistance funds are made available for public facilities, City shall apply for assistance to fund debris removal and repairs at the Golf Course.
- 13.0 EQUIPMENT. EMT may use City-owned equipment secured as a part of the Settlement Agreement with Wild Rivers Golf Management for the purpose of maintaining and operating the Golf Course. EMT shall be responsible for maintenance and repair of said equipment. EMT shall notify City when such equipment is no longer serviceable or no longer of use and shall assist the City in the disposal of said equipment. Thereafter, EMT shall be responsible for providing replacement equipment as needed which will be an asset of EMT. Attached hereto as Exhibit B is a listing of City-owned equipment as of the execution this Agreement.
- 13.01 Carts. City agrees to enter into a lease/purchase agreement or otherwise secure financing for the purchase of 48 golf carts from a third party. EMT agrees to pay to City an amount equal to the monthly lease and/or purchase payment. Upon final payment on said financing, ownership of the carts shall be transferred to EMT. EMT shall at all times be responsible for the maintenance and repair of said carts. EMT may purchase or lease additional carts at their discretion and at their expense.
- 14.0 SAFETY.
- 14.01 Unsafe Conditions. EMT must immediately correct any unsafe condition of the Golf Course or unsafe practices occurring thereon, as well as comply with all applicable safety laws. EMT must cooperate and comply fully with City, County, State, Federal or any other regulatory agency having jurisdiction thereover regarding any safety inspections and certifications of any and all structures, enclosures, vehicles, and equipment.
- 14.02 Emergency Assistance and Notification. EMT must take commercially reasonable steps, such as call 9-1-1, in order to obtain emergency medical care for any member of the public who is in need thereof, because of illness or injury occurring at the Golf Course and agrees to cooperate fully with City in the investigation of any accidental injury or death occurring at the Golf Course. EMT must submit a report within twenty-four (24) hours to the City Manager of any accidental injury requiring ambulance response or death.

- 14.03 Fire Protection. City shall provide fire protection services for the Golf Course and shall, at its discretion, locate fire suppression equipment at Golf Course. City may provide Golf Course employees with training in use of said equipment.
- 15.0 SUPERVISION. EMT shall report to and take direction from the City Manager. EMT shall maintain accounts and records, including personnel, property and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the City to assure proper accounting of all funds. EMT will submit a quarterly financial report to the City Manager detailing all expenses and income for each month.
- 16.0 INSURANCE. EMT must obtain and maintain during the term of this Agreement, and any extension thereof, the following types of insurance at EMT's sole expense.
- 16.01 Commercial General Liability. CGL insurance with not less than the following limits, and endorsed to include the City of Brookings as an additional insured, shall be provided by EMT:
- a. General aggregate: \$2,000,000.
 - b. Completed operation aggregate \$2,000,000.
 - c. Personal and advertising - injury \$1,000,000 each occurrence.
 - d. Fire damage: \$100,000
 - e. Medical expense \$10,000
 - f. Umbrella Liability Aggregate: \$1,000,000
- 16.02 Workers' Compensation Insurance. Workers compensation insurance shall be required under the Laws of the State of Oregon.
- 16.03 Automobile Insurance. Automobile insurance shall be provided covering all owned, leased, and hired vehicles and non-ownership liability for not less than the following limits:
- a. Bodily injury: \$1,000,000 per person \$1,000,000 per accident.
 - b. Property damage: \$500,000 per accident basis.
- 16.04 Primary Insurance. EMT's insurance policies, with respect to any claims related to this Agreement, will be primary with respect to all other sources of coverage available. Any City maintained insurance or self-insurance coverage will be in excess of and not contribute to any of EMT's coverage.
- 17.0 INDEPENDENT CONTRACTOR. EMT services shall be furnished by EMT as an independent contractor and nothing herein contained shall be construed to create a relationship of employer-employee or master-servant, but all payments made hereunder and all services performed shall be made and performed pursuant to this Agreement by EMT as an independent contractor. EMT acknowledges that the compensation for all services provided under this Agreement is specified in the Agreement and EMT is not entitled to any City benefits including, but not limited to: vacation pay, holiday pay, sick

leave pay, medical, dental, or other insurance benefits, or any other rights or privileges afforded to City employees. EMT represents that EMT maintains a separate place of business, serves clients other than the City, will report all income and expenses accrued under this contract as applicable to the Internal Revenue Service, and has a tax account with the State of Oregon for payment of all applicable taxes collected by the State of Oregon. Neither EMT nor any of its employees are eligible to receive any of the rights or benefits otherwise available to City employees. EMT shall be free from the direction and control of the City over the means and manner of performing services under this Agreement, subject only to the right of the City to specify the desired results. EMT shall be solely responsible for payment of all taxes, fees, and salaries due its employees as required by law or other agreement.

17.01 Personnel. EMT represents that it will secure at his own expense, all personnel required to perform the services under this Agreement. Such personnel shall not be employees of nor have any contractual relationship with the City. Such personnel shall be compensated solely by EMT.

17.02 Employees. EMT shall: (1) determine personnel requirements, recruitment schedules, and compensation levels; (2) furnish job descriptions for full-time, and operational and procedural manuals for all personnel; and (3) establish forms and procedures for employee compensation. EMT shall hire, promote, discharge, and supervise all employees performing services in and about the Golf Course. All of the employees of the Golf Course shall be employees of EMT. City must approve in advance and in writing the hiring of EMT's general manager. Such approval shall not be unreasonably withheld.

17.03 Supervision. All of the services required hereunder will be performed by EMT or under its supervision and all personnel engaged in the work shall be fully qualified and authorized or permitted under state and local law to perform such services.

17.04 Subcontracting. EMT shall negotiate, consummate, enter into, and perform such agreements as EMT may deem necessary or advisable for the furnishing of all food, beverages, utilities, concessions, entertainment, operating supplies, equipment, repairs and other materials and services as EMT determines are needed from time to time for the management and operation of the Golf Course. Notwithstanding the above, any contract that exceeds Ten Thousand Dollars (\$10,000) in total payments over the term of such contract or which has a term of more than one (1) year shall require the prior written consent of City.

17.04.1 Oceanside Diner/Jack Creek Café. It is recognized that, at the time of execution of this Agreement, Oceanside Diner, dba Jack Creek Café, is conducting business within the clubhouse building under a letter agreement with the City of Brookings. The parties agree that EMT may enter into a subcontract agreement with Oceanside Diner/Jack

Creek Café or successor for the continuing operation of said food service and restaurant.

- 17.05 Repairs. EMT shall use commercially reasonable efforts to make, or cause to be made, all necessary and proper repairs in and to Salmon Run in order to keep and maintain the same in good repair, working order and condition (normal wear and tear excepted), and outfitted and equipped for the proper operation thereof.
- 17.06 Licenses, Permits and Accreditations. EMT shall apply for and use its commercially reasonable efforts to obtain and maintain, in City's name (or, if otherwise required by applicable law, in EMT's name) all licenses, permits, and accreditations required in connection with the management and operation of the Golf Course. City will reasonably cooperate with EMT in applying for, obtaining, and maintaining such licenses (including liquor licenses), permits, and accreditations.
- 17.07 Fee. EMT's fee will consist of retaining any income, subject to the following, realized as a result of EMT's management of the Golf Course under this Agreement. EMT will not charge a monthly fee. EMT shall provide City with a copy of EMT U.S. Corporation Income Tax Return (IRS Form 1120) not later than May 15 of each year. EMT shall retain as a management fee 100 percent of the first \$50,000 of Taxable Income as shown on Line 30 of Form 1120 and 80 percent of Taxable Income in excess of \$50,000. EMT shall remit to City the aforementioned percent of Taxable Income in excess not later than June 1 of the calendar year in which the federal income tax is payable.
- 17.08 Fee Upon Term Extension. The amount of Fee provided in 17.07 shall be subject to renegotiation upon extension of this Agreement as provided in Section 7.0.
- 17.09 Disposition of funds remitted to City. Monies remitted to City under Section 17.07 shall be used by City to pay for capital projects and major maintenance to golf course buildings, roads, drainage systems and other infrastructure.
- 18.0 **ACCOUNTING AND REPORTING.** EMT shall at all times maintain accounting records in a format consistent (in all material respects) with generally accepted accounting practices. EMT shall provide the following financial statements in a format reasonably specified by City:
- 18.01 Quarterly Statement. EMT shall submit to City, within twenty (20) calendar days after the close of each calendar month, a financial statement showing in reasonably accurate detail the financial activities of Salmon Run for the preceding calendar month and the calendar year to date.

- 18.02 Annual Statement. EMT shall submit to City, within sixty (60) calendar days after the close of each calendar year, a financial statement showing in reasonably accurate detail the financial activities of Salmon Run for the calendar year then ended.
- 19.0 INTERNAL CONTROL. EMT agrees to develop, install, and maintain reasonably appropriate accounting, operating, and administrative controls governing the financial aspects of the Golf Course, such controls to be consistent with generally accepted accounting practices and principles.
- 20.0 RECORDS INSPECTION. EMT shall maintain a complete set of all financial, vendor, employee and operating records relating to the Golf Course. At any time during the term of this Agreement, City shall have the right, to inspect the books, records, invoices, deposits, canceled checks, or other financial data or transactions of the Golf Course at reasonable times and during normal business hours. City reserves the right to engage an independent auditor to audit the financial activities of the Golf Course. Upon expiration or termination of this Agreement, EMT will promptly turn over all such records or copies of such records to City.
- 21.0 DEFAULT. The occurrence of any one or more of the following events, which is not cured in any applicable grace period, shall constitute a default under this Agreement (hereinafter referred to as an “Event of Default”):
- 21.01 Failure to Comply. Either party’s failure to comply with any of the covenants, agreements, terms, or conditions contained in this Agreement that is not cured within thirty (30) calendar days after written notice thereof from the other party to specifying in detail the nature of such failure. Notwithstanding the foregoing, in the event any failure cannot with due diligence be cured within such thirty (30) day period, if the defaulting party proceeds promptly and diligently to cure the same and thereafter diligently prosecutes the curing of such failure, the time within which the failure may be cured shall be extended for such period as may be necessary for the defaulting party to cure the failure.
- 21.02 Bankruptcy. If either party: (1) applies for or consents to the appointment of a receiver, trustee, or liquidator of itself or any of its property; (2) is unable to pay its debts as they mature or admits in writing its inability to pay its debts as they mature; (3) makes a general assignment for the benefit of creditors; (4) is adjudicated as bankrupt or insolvent; or (5) files a voluntary petition in bankruptcy or a petition of an answer seeking reorganization or an arrangement with creditors, or taking advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or admits the material allegations of a petition filed against it in any proceedings under any

such law, or if any action shall be taken by said party for the purpose of effecting any of the foregoing.

- 21.03 Reorganization, Receiver. If an order, judgment, or decree is entered without the application, approval, or consent of the party by a court of competent jurisdiction approving a petition seeking reorganization of said party or appointing a receiver, trustee, or liquidator of said party, or of all or a substantial part of any of the assets of said party, and such order, judgment, or decree remains unstayed and in effect for a period of ninety (90) calendar days from the date of entry thereof.
- 21.04 Fraud. If either party has reasonable grounds to suspect that the other party has committed an act of fraud involving the provision of services under this Agreement including any acts of fraud suspected against the corporate officers, directors, employees or agents of either party.
- 22.0 **WRITTEN NOTICE OF TERMINATION**. Upon proper termination of this Agreement, EMT shall vacate the Golf Course and transfer all contracts, licenses, unearned accounts receivable, furniture, fixtures, and equipment to the City and assist in the orderly transfer of the operation to the City or the City's contractor for management.
- 22.01 Termination for Fraud. If EMT defaults by committing an act of fraud, the City may terminate the Agreement immediately upon written notice to EMT and obtain performance of the work elsewhere.
- 22.02 Termination for All Other Causes. When termination occurs under any terms or condition of the Agreement, the City shall establish a schedule for EMT to comply with in vacating the Golf Course and winding up its business under this Agreement. Upon any termination notices under the Agreement, EMT shall work diligently and in good faith to vacate the property in accordance with the City's schedule. In no case, shall the schedule for vacating the property exceed 60 calendar days.
- 23.0 **GENERAL PROVISIONS**.
- 23.01 No Discrimination. EMT will not discriminate in the operation or management of the Golf Course against any person on account of age, race, religion, color, handicap, marital status, sex, national origin, ancestry, sexual orientation, arrest record or conviction record. This section does not prohibit the abidance of law governing the consumption of alcoholic beverages or the offering of special rates or services to persons 50 years of age or older.
- 23.02 Notice. Any notices to be given under this Agreement by either party to the other must be in writing and may be transmitted by personal delivery or by certified

mail, postage prepaid with return receipt requested. Mailed notices will be addressed to the parties at the addresses appearing below their respective signatures, but each party may change that address by written notice in accordance with this section. Notices delivered personally will be deemed received as of the date of actual receipt; mailed notices will be deemed received three (3) calendar days after the date of mailing.

- 23.03 Modification. Any modification of this Agreement will be effective only if it is in writing and signed by both parties.
- 23.04 Indemnification. To the fullest extent permitted by law, EMT shall indemnify, defend, and hold harmless the City, and its officers, employees, and agents (“indemnitees”), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable attorney’s fees and costs of litigation (“claims”), arising out of EMT’s performance under this Agreement or out of the operations conducted by EMT, including the City’s active or passive negligence, except for such loss or damage arising from the sole negligence or willful misconduct of the City. In the event indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from EMT’s performance of this Agreement, EMT shall provide a defense to the indemnitee or at the City’s option, reimburse indemnitees their costs of defense, including reasonable attorney’s fees, incurred in defense of such claims.
- 23.05 No Assignment. This Agreement is for the personal services of EMT. EMT may not assign this Agreement, EMT’s right to moneys becoming due under this Agreement, or EMT’s duties under this Agreement to any other person or entity without the written consent of the City. Any attempt at any such unauthorized assignment shall be void.
- 23.06 No Waiver. The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party will not be deemed a waiver of that term, covenant, or condition, nor will any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.
- 23.07 Compliance with Laws. EMT shall comply with all applicable local, state and federal laws and regulations.
- 23.08 Attorney’s Fees. If any legal action or proceeding is necessary to enforce or interpret the terms of this Agreement, the prevailing party will be entitled to reasonable attorneys’ fees, costs, and expenses in addition to any other relief to which that party may be entitled. This provision will be construed as applicable to the entire Agreement.

- 23.09 Severability. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement will nevertheless continue in full force without being impaired or invalidated in any way.
- 23.10 Entire Agreement. This instrument contains the entire agreement of the parties with respect to the subject matter hereof and there are no other promised representations or warranties affecting it. This Agreement supersedes any and all other agreements, either oral or in writing, between the City and EMT with respect to the engagement of the City and EMT and contains all of the covenants and agreements between the parties with respect to that engagement. Each party to this Agreement acknowledges that no representation, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party that are not embodied in the Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding on either party.
- 23.11 Execution. Each person signing on behalf of the respective parties represents and attests that they are authorized to sign and to bind their principals.

IN WITNESS WHEREOF, the parties have executed this Agreement on this ____ day of _____, 2016.

CITY OF BROOKINGS
898 Elk Drive
Brookings, OR 97415

EARLY MANAGEMENT TEAM, INC.
P.O. Box 1688
Brookings, OR 97415

By: Gary Milliman, City Manager

By: Valarie L. Early, President

Attachment A

Early Management Team, Inc.: Salmon Run Golf

Friendly management for the unique golfing experience

Business Plan
Prepared March 2016

Contact Information

Gary & Valarie Early
earlyfishing@gmail.com
541-469-0525
PO Box 1688
Brookings, OR 97415, USA

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Executive Summary

Executive Summary

Salmon Run is a gem for the Brookings-Harbor community. Early Management Team (EMT) has been dedicated to professionalism, excellent customer service and community involvement as members of the Brookings-Harbor community. EMT offers the City of Brookings an opportunity to partner with successful business owners who are willing to provide hard work and diligent fiscal oversight to resurrect Salmon Run Golf Course. Through innovative marketing strategies as well as sound management and accounting principles Salmon Run will re-surge to be a community gathering place.

Salmon Run History

Salmon Run is located behind the coastal mountains, and only 3.5 miles from downtown Brookings. With four sets of tees that stretch from 5,433 yards to over 6,400 yards, Salmon Run offers a course for every skill level in a setting that you will never forget. Open to the public, you may even see Salmon and Steelhead as they swim up Jack Creek to spawn. A restaurant, a full service pro-shop and professional teaching staff are ready to make your Salmon Run golfing experience even more enjoyable. Designed by Troy Claveran, the Salmon Run golf course opened in 1999.

Proposal Purpose

The purpose of this business plan is to provide a roadmap for the successful operation of Salmon Run Golf & Wilderness Preserve as an advantageous partnership with EMT and the City of Brookings. This proposal is an alternative to a golf management company, in that it would utilize EMT's business acumen while taking advantage of a 2-for-1 manager. JJKeegan Golf Consultants have laid out a financial plan that can be modified to allow Salmon Run to achieve a no-net loss for the City through a management style that will focus on customer service as well as minimal management salaries. The recommendations included herein are achievable, and their benefits will provide recreational activity to our citizens while protecting the open space and environmental stewardship they so value. The proposal will address very measurable and precise short-term goals that monitor progress and failure with quick response to the trends that evolve. EMT clearly recognizes the importance of our valued relationships with the golfing community. Salmon Run has the opportunity to be the desired golfing destination as well as the poster course for fisheries-friendly courses.

Financial Highlights by Year



Highlights

EMT is committed to bringing Salmon Run to be a self-funded operation while creating a mutually beneficial partnership with the City of Brookings where the course can take advantage, during this re-building phase, of city resources. While the golf industry has not yet fully rebounded from the great recession, it is not the intention of the EMT to ask the residents of Brookings to help fund further operations. Our challenge is to bring revenue and profitability to levels that will allow the course to address the capital needs of the facility, which will increase the value of Salmon Run as both a business, and an asset to the City and community. To achieve these goals will require hours of dedication, evaluation and fiscal responsibility.

Mission Statement

The mission of Early Management Team for Salmon Run Golf & Wilderness Preserve is to provide excellent customer service that will enhance the unique golf experience and bring residents and visitors back to Salmon Run as well as the Brookings community.

Objectives

The objectives of the Salmon Run Golf & Wilderness Preserve for the first three years of operation include:

- Forming a mutually beneficial partnership with the City of Brookings to benefit the community.
- Restore the course to its former luster thereby attracting local golfers who no longer play their “home” course.
- Revitalize and improve the clubhouse, attracting interest and reviving loyal local clientele.
- Excellent customer service that includes email and newsletter outreach.
- Use strategic alliances and players' word-of-mouth recommendations to make Salmon Run a destination course for vacationers, and avid players who are willing to travel to golf.
- Exceeding customer's expectations.
- Assembling an experienced and effective staff.
- Utilizing local vendors for course supplies.
- Bringing a sense of community ownership and pride back to Salmon Run.

Keys to Success

- Knowledgeable and Professional Team with the desire to provide excellent customer service
- Low administrative overhead to channel funds to course improvement and capital projects.
- Friendly, clean and up to date atmosphere
- Enhance quality golfing experience by improving the course condition through a mix of golf course challenges and a fun experience.
- Encourage an awareness of unique setting of Salmon Run and the opportunities for other community events.
- Partnership with City of Brookings to help offset transition costs.

Description of Business

Company Ownership/Legal Entity

Early Management Team will be an established S-Corporation under the federal guidelines and the laws of the State of Oregon, incorporating as an Oregon Corporation. EMT will be owned by Gary and Valarie Early. EMT is currently registered with the State of Oregon.

History

Management Team

Gary and Valarie Early have been in business for over 35 years, separately and together, specializing in guided fishing trips in Oregon, California and Alaska. During this time they have both had the opportunity to meet many people who have a variety of specialties and careers. As a business with over 85% repeat clientele, many of the people have become like friends and family. The vastness of resources is immeasurable due to these long-standing relationships. Not only are fisheries experts (biologists who have worked for Early Fishing) available but civil engineers, storm water experts, golf course owners and superintendents, aggregate experts, contractors, pesticide managers, financial experts, PGA professionals and many other specialties ready to help with the transition of EMT to the business of golf while still keeping a hand in fishing, thus enabling Salmon Run to reach a profitability stage.

Both Gary and Val are golfers. Gary has been an avid golfer for over 35 years having achieved a low handicap of 5. Gary understands maintenance and playability issues of golf courses having worked at Del Norte Golf Course in the past. His understanding of horticulture and plants is valuable in evaluating course improvement needs at Salmon Run. Val has been golfing since 1990 but stepped away when family and business demands took precedence. While carrying a handicap of 25 and still playing several times a year, Val's focus is on the business of golf in running Salmon Run.

Please see attached resumes.

Advisors

Dan Brattain, Business owner

Darrel Nelson, Freeman Rock

Early Management Team, Inc.

David Booth, Mechanical Engineer

Steve Geney, ASP Storm Water

Lee Musser, Accountant

Rebecca Olson, Accountant

Rory Smith, Accountant

Jim Rizza, retired Banking executive

Doug Schmor, Attorney

Ron Yockim, Natural Resource Attorney

Zack Larson, Fisheries Biologist

John Weber, Fisheries Biologist

Chris Hanson, Golf Course owner

Jon Hanson, Golf Course Superintendent

Jeff Taylor, Insurance specialist

Bruce Thompson, Contractor

Jeff Mitchell, Architect

Troy Duncan, Roofing contractor

Georgia Cockerham, financial advisor

Jim Barnes, PGA Teaching Pro

Interior

It is important to re-vitalize the club house and the feeling of community that should occupy the space. With Oceanside Diner operating at the course there is a community gathering place for breakfast and lunch, catering opportunities and a warm feel for after

play get-togethers. We intend to foster this relationship with Oceanside Diner to promote additional opportunities including a warm atmosphere to gather at the “19th hole” and compare scores with a cold beverage.

Hours of Operation

Salmon Run Golf and Wilderness Preserve will be open 7 days per week, 365 days per year. Hours of operation will vary with time of the year, daylight savings time and events scheduled. Course will be open for play according to the published sunrise/sunset times.

Management

Early Management Team have been long standing members of the Brookings-Harbor Community. As community volunteers and business owners, we are committed to continuing this residency and working with the local community to bring the course back to its full potential. While running a golf course is not on our resume, we do have the needed experience in conservation, tourism and business. In this venture the business of golf priority will be enhancing the uniqueness of the game of golf at Salmon Run.

EMT has experience dealing with grasses of various origin, trees, drainage of lands, waterway re-stabilization/rehab and fisheries issues. EMT has extensive knowledge of fertilizers, pesticides and watering success for revitalizing the course. Much of this experience comes from successfully managing an orchard as well as previous experience working at Del Norte Golf Course. Bank rehabilitation and fisheries projects were an integral part of the operations for Early Fishing in Alaska.

In addition to personal knowledge in these areas EMT has access to civil engineers who are committed to helping improve course drainage, storm water run-off experts, and ODFW personnel willing to advise on salmon stream requirements. EMT has also been in the tourism, service industry for over 35 years; dealing with the public with and the goal of repeat business will continue to be the goal of EMT.

It will be essential for EMT to take advantage of key employees at Salmon Run. Many of the current employees would be asked to stay on and provide critical knowledge of equipment, water outlet locations, green maintenance schedules, clubhouse procedures and utility contracts. In addition, knowledge would be solicited from previous employees of Salmon Run in order to facilitate a smooth transition.

Financial Management

EMT will not request any money from the City of Brookings to begin management of Salmon Run. We would like to attain a 3 year contract, renewable for 5 more years if both parties are satisfied with the progress and transition period. In addition, an open book policy would be employed so the City is assured of good fiscal management. EMT would request the ability to use the City as a resource for services such as dump trucks or tractor services that would benefit City properties on the course.

Start-up/Acquisition Summary

EMT has funds set aside for finishing projects unfinished by the current course management including but not limited to (in order of priority):

- Course drainage
- Club house repairs
- Equipment repairs
- Tree trimming (improve course playability)
- Water line repairs (cart shed)
- Driving range
- Road repairs
- Many more will surface and be added to the on-going list of course improvements

Start-Up Costs:

Business Licenses	150.00
Incorporation Expenses	200.00
Deposits	
Bank Account	5,000.00
Utilities deposits	1,000.00
Building Modifications	20,000.00
Equipment/Machinery Repairs:	10,000.00
Storm Damage	5,000.00
Tent repair	10,000.00
Water payment to Freeman's	2,500.00
Insurance	5,000.00
Stationery/Business Cards	1,000.00
Pre-Opening Advertising	500.00
Unexpected expenses	10,000.00
TOTAL STARTUP EXPENSES	70,350.00

Marketing

Marketing Plan

The Brookings Harbor Community is a fabulous place to live and play. Since there are many opportunities to enjoy a variety of outdoor pursuits it is important to keep Salmon Run Golf at the forefront of those activities. Print, as well as radio, will be utilized to help re-introduce the course to those who have been looking elsewhere for their golfing fix. Bringing back these community members is critical to the future success of Salmon Run Golf. The Brookings-Harbor Community will, again, realize the gem Salmon Run represents in their backyard with the course improvements and dedication to community spirit. Community events will be lured to the course to show the beneficial way Salmon Run Golf can be a good community partner. Additional social media outlets will be utilized as well as an improved website that will invite players to book tee times, sign up with a tournament and get special offers via email or social media.

Demographics

The total population of the Brookings area is over 13,000, which includes Harbor. There have been numerous proposals to annex the nearby unincorporated areas into Brookings. The unincorporated community to the south of the Chetco River, while included in the Brookings Urban Growth Boundary, has resisted annexation into the City of Brookings. There development can occur without annexation, as Harbor is independently served by independent urban fire, water and sewer districts. The current marketing "brand" for the community, through the Brookings-Harbor Chamber of Commerce, is "The Pulse of America's Wild Rivers Coast". America's Wild Rivers Coast is a regional marketing brand for Curry County, Oregon, and Del Norte County, California.

Since the 1980s, Brookings has attracted retirees, largely from California, who have come to form a sizeable minority of the population. It is also home for a number of people who commute to jobs in California at nearby Pelican Bay State Prison.

Brookings has temperate winters during which intense rainfall is broken by weeks of warm, sunny weather. It has mild, dry summers with average rainfall in July and August of less than 1 inch (25 mm) per month. There are an average of only two days annually with high temperatures of 90 °F (32 °C) or higher and an average of 7.5 days with low temperatures of 32 °F (0 °C) or lower. The record high temperature was 108.2 °F (42.3 °C) on July 9, 2008. The record low temperature was 18 °F (-8 °C).

The wettest year in Brookings was 1996 with 123.90 inches (3,147 mm) and the driest year was 1976 with 43.34 inches (1,101 mm). The most rainfall in one month was 36.90 inches (937 mm) in December 1996. The most rainfall in 24 hours was 8.79 inches (223 mm) on March 18, 1932. Snow is rare in Brookings, averaging only 0.7 inches (1.8 cm) per year, but 10 inches (25 cm) fell in January 1916.

Due to its location, Brookings is subject to winter (and less frequently summer) temperatures considered unusually warm for the Oregon Coast. Temperatures can reach 70 to 80 °F (21 to 27 °C) throughout the year. This is due in part to the marine influences from its location on the Pacific Ocean, but mostly from its situation at the foot of the Klamath Mountains, from which winds compress and warm the air flowing onto Brookings. This is called the Chetco effect. Daffodils and other bulbs generally bloom in February giving Brookings the reputation for having winter flowers. In the lowlands, heavy fog is common in the summer while the coastal hills are generally sunny and cool.

The average age for Brookings Harbor residents is 51.9 years of age. 80% are Caucasian with a median income of \$39,000 and a household income approximately \$64,000.

Competitive Advantage

The competitive advantage is rooted in its community-based focus, strong customer service and central location. The course, in its prime, is aesthetically pleasing, beautifully landscaped and challenging in its own way. The fact the course is not a par 72 championship course provides an advantage when compared to other courses given the fact it only takes 4 hours to play 18 holes contrasted to the 5- 6 hour rounds typically found at championship layouts. There are only 4 golf courses within the 50 mile radius with Salmon Run being the centrally located facility. The course also possesses active men's and ladies clubs who enjoy the ability to play at a reasonable rates.

Changing Market Conditions

According to the National Golf Foundation, golf rounds are in decline nationwide. Nationally, in the past five years, rounds have decreased only slightly but with much room for enhancement with improved playability. Locally the rounds have decreased at a larger percentage compared to the national average. A major target group will be to reconnect with those local golfers who have given up playing on their home course. In addition, with the resurgence of golf as a youth sport, there is opportunity to promote family play and get more people involved. Having a course in the community fosters youth programs which was always a goal of the original builders of the course.

Strategies & Implementation

The annual marketing plan aims to:

1. Re-Gain customer loyalty to Salmon Run
2. Increase the total number of golf rounds
3. Improve revenue/round
4. Increase power cart rentals and concession sales
5. Attract more female golfers
6. Attract young golfers with youth programs
7. Attract events that utilize our banquet facilities such as award ceremonies and weddings

With these goals in mind, strategies and an advertising plan are developed with an emphasis on measurable outcomes.

The following strategies have been identified for implementation:

1. Promo cards for frequent play (gaining customer loyalty)
2. "Bring a Friend or child" advertising to attract new customers
3. "Rainy Day" advertising to improve rounds generated on non-optimal weather days.
4. Improve merchandise options that appeal to female golfers
5. Add website content targeted to female golfers
6. Cooperative business links: Chamber of Commerce, City of Brookings, Real Estate Offices, etc.
7. Implement eNewsletter or social media tool to advertise "instant deals" to fill last minute rounds.
8. Encourage more business or fund-raisers to host their tournaments at Salmon Run.
9. As they say, word of mouth is the most powerful advertising tool. We are confident that the customer experience will be so positive they will want to tell everyone.

Operations

Course Milestones

Milestone	Due Date	Who's Responsible	Details
Course Drainage	April 07, 2016	EMT, ASP and maintenance staff	Walk the ditches of the course to see where soil needs removed for better drainage
Course playability	April 07, 2016	EMT, advisors	Hole-by-Hole evaluation of needed improvements
Driving Range	April 07, 2016	EMT	Evaluate the nets and drainage in the driving range. Collect all balls.
Equipment evaluation	April 11, 2016	EMT and mechanic	Evaluate the state of the equipment and necessary repairs
Clubhouse	April 15, 2016	EMT	Evaluation and completion of roof, siding, gutters, interior
Aeration of Greens	April 30, 2016	EMT & greens staff	Set date for aeration of greens. Order sand and make sure equipment is in good repair.
Tournament Schedule	April 30, 2016	EMT, clubhouse staff, men's & women's clubs	Compare tournament schedule and course work, food & beverage service, tent repairs

Financial Plan

Forecast

Key Assumptions

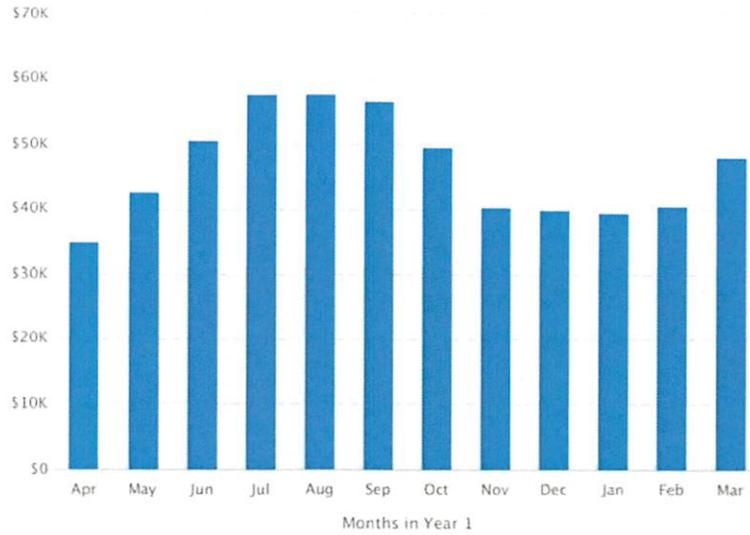
JJ Keegan Golf Consultants have laid out a financial plan for Salmon Run that, if modified slightly, shows there is room for profitability in the future. Additionally, through course maintenance and improvement, Salmon Run can return to the overall levels of rounds play, as well as memberships, which were present in the early 2000's.

EMT will not request any money from the City of Brookings to begin management of Salmon Run. We would like to attain a 3 year contract, renewable for 5 more years if both parties are satisfied with the progress and transition period. In addition, an open book policy would be employed so the City is assured of good fiscal management. EMT would request the ability to use the City as a resource for services such as dump trucks or tractor services.

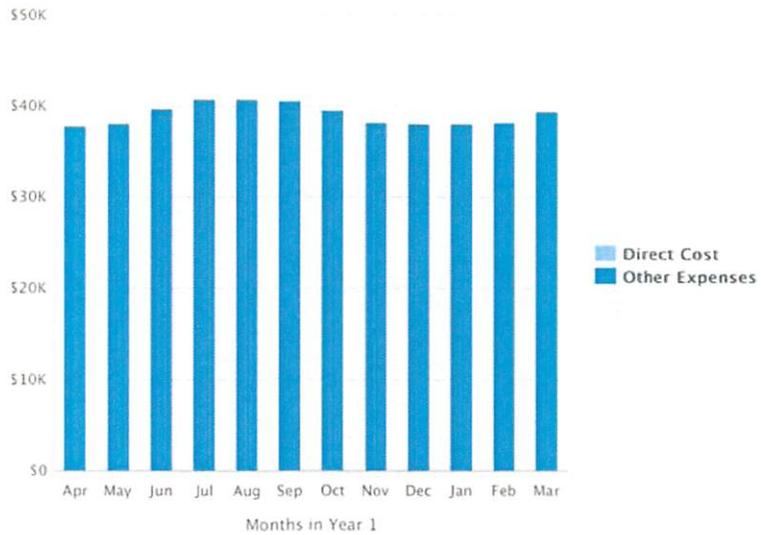
During the winter months play at Salmon Run is hampered by weather conditions. With drainage improvements recommended by our storm water run-off experts we expect to improve this situation yielding additional playable days. EMT will also increase the amount of money spent on course maintenance, after evaluating the needs, in order to achieve the goals set forth earlier.

At this time there are some unknowns in these projections: current inventory, current assets (equipment, buildings), computers, software, and technology. This is due to lack of verifiable information by current tenant.

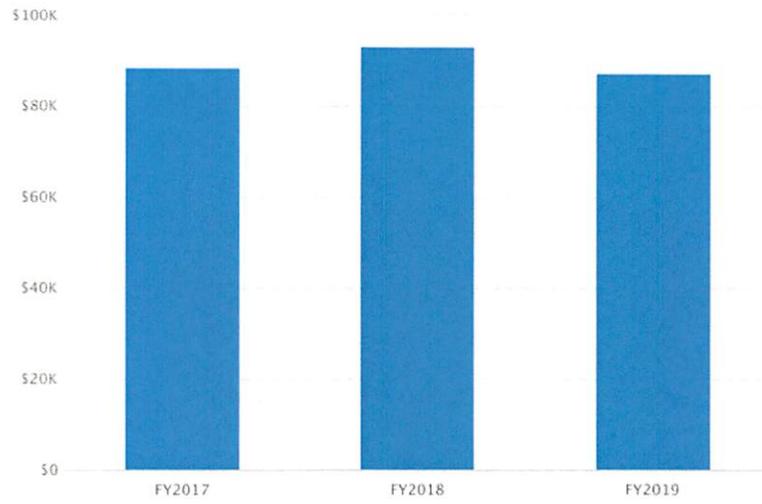
Revenue by Month



Expenses by Month



Net Profit (or Loss) by Year



Statements

Projected Profit & Loss

	FY2017	FY2018	FY2019
Revenue	\$558,080	\$586,080	\$601,580
Direct Costs			
Gross Margin	\$558,080	\$586,080	\$601,580
Gross Margin %	100%	100%	100%
Operating Expenses			
Salary	\$180,000	\$200,000	\$220,000
Employee Related Expenses	\$27,000	\$30,000	\$33,000
Insurance	\$23,700	\$23,700	\$23,700
Cost of Goods Sold	\$72,000	\$72,000	\$72,000
Bank Charges	\$13,000	\$13,000	\$13,000
Water	\$2,500	\$2,500	\$2,500
Clubhouse Expenses	\$12,000	\$12,000	\$12,000
Advertising	\$8,000	\$8,000	\$8,000
Leases	\$6,000	\$6,000	\$6,000
Utilities	\$18,000	\$18,000	\$18,000
Other Administration Expenses	\$36,000	\$36,000	\$36,000
Course maintenance Expenses	\$52,000	\$52,000	\$52,000
Corporate Taxes	\$36	\$150	\$150
Total Operating Expenses	\$450,236	\$473,350	\$496,350
Operating Income	\$107,844	\$112,730	\$105,230
Interest Incurred	\$3,608	\$3,057	\$2,462
Depreciation and Amortization			
Income Taxes	\$15,635	\$16,451	\$15,416
Total Expenses	\$469,479	\$492,858	\$514,228
Net Profit	\$88,601	\$93,222	\$87,352
Net Profit / Sales	16%	16%	15%

Projected Balance Sheet

	FY2017	FY2018	FY2019
Cash	\$98,910	\$184,745	\$262,247
Accounts Receivable	\$719	\$720	\$738
Inventory			
Other Current Assets			
Total Current Assets	\$99,629	\$185,465	\$262,985
Long-Term Assets			
Accumulated Depreciation			
Total Long-Term Assets			
Total Assets	\$99,629	\$185,465	\$262,985
Accounts Payable	\$3,041	\$3,038	\$3,035
Income Taxes Payable	\$15,635	\$16,451	\$15,416
Sales Taxes Payable	\$0	\$0	\$0
Short-Term Debt	\$8,199	\$8,794	\$9,429
Prepaid Revenue			
Total Current Liabilities	\$26,875	\$28,283	\$27,880
Long-Term Debt	\$39,153	\$30,359	\$20,930
Total Liabilities	\$66,028	\$58,642	\$48,810
Paid-in Capital			
Retained Earnings	(\$55,000)	\$33,601	\$126,823
Earnings	\$88,601	\$93,222	\$87,352
Total Owner's Equity	\$33,601	\$126,823	\$214,175
Total Liabilities & Equity	\$99,629	\$185,465	\$262,985

Projected Cash Flow Statement

	FY2017	FY2018	FY2019
Net Cash Flow from Operations			
Net Profit	\$88,601	\$93,222	\$87,352
Depreciation and Amortization			
Change in Accounts Receivable	(\$716)	(\$1)	(\$18)
Change in Inventory			
Change in Accounts Payable	\$3,039	(\$3)	(\$3)
Change in Income Tax Payable	\$15,635	\$816	(\$1,035)
Change in Sales Tax Payable	\$0	\$0	\$0
Change in Prepaid Revenue			
Net Cash Flow from Operations	\$106,559	\$94,034	\$86,296
Investing & Financing			
Assets Purchased or Sold			
Investments Received			
Change in Long-Term Debt	(\$8,199)	(\$8,794)	(\$9,429)
Change in Short-Term Debt	\$551	\$595	\$635
Dividends & Distributions			
Net Cash Flow from Investing & Financing	(\$7,648)	(\$8,199)	(\$8,794)
Cash at Beginning of Period	(\$1)	\$98,910	\$184,745
Net Change in Cash	\$98,911	\$85,835	\$77,502
Cash at End of Period	\$98,910	\$184,745	\$262,247

Summary

EMT will take little time completing the superficial projects identified earlier that will make the course more appealing and show a desire to bring Salmon Run back to its luster. Further evaluation by experts will help to prioritize the remaining projects. In the meantime a marketing strategy that will focus on the re-vitalization of the course as well as the welcome atmosphere will be publicized along with "bring them back" specials that will attract those local golfers who are currently going elsewhere.

With the season upon us the time is now and EMT is willing, ready and able to go to work today.

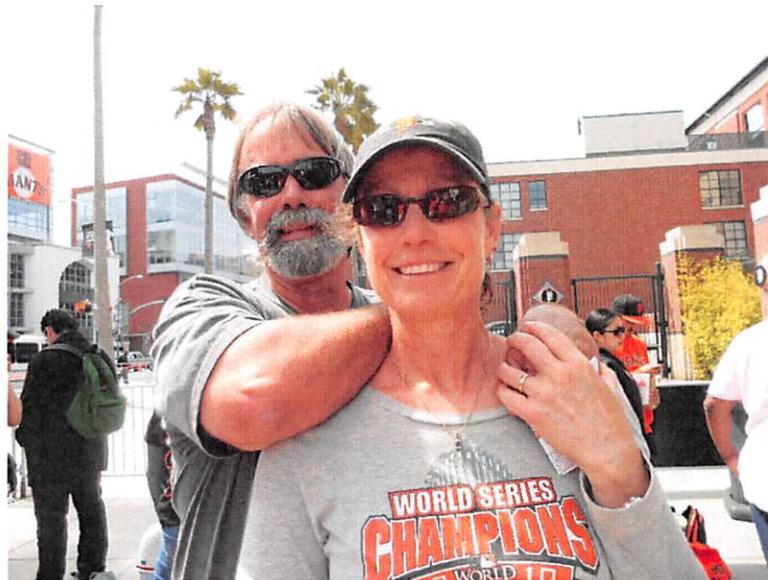
Appendix

Valarie L. Early Resume

Gary B. Early Resume

Financial

Letters of Reference



Valarie L. Early

PO Box 1688, Brookings, OR 97415
(541) 469-0525 val@earlyfishing.com

Education

Oregon State University, BS Political Science, 1983	Corvallis, OR
Southern Oregon University, Masters Program, Secondary Education, 1998	Ashland, OR
United State Coast Guard, Operator Uninspected Passenger Vessel, 1991 (current)	
Kenai River Guide Academy, 2010	Soldotna, AK
Medic First Aid/CPR Certified	1982 - present

Work Experience

- | | |
|---|----------------|
| • Early Fishing, Inc. – Owner/operator | 1990 - present |
| • Self Employed Fishing Guide | 1982 – present |
| • Early Orchard/Early Management Team – Owner/operator | 2009 - present |
| • Owen & Early's Quality Lodging, Soldotna AK | 1988 - present |
| • Friends of Cal-Ore Fish, Director/CFO | 1996 – present |
| ○ Combined Non-profit organizations: | |
| ▪ Friends of the North Coast Fish, Inc. | |
| ▪ California and Oregon Fish Enhancement, Inc. | |
| • Brookings-Harbor School District 17-C | 1998 - present |
| • Morrison's Rogue River Lodge | 1981 - 2006 |
| • We-Ask-U Inn/Grants Pass Float Company | 1977 – 1984 |
| • Benton County Parole & Probation Department, Internship | 1982 - 1983 |
| • Grants Pass YMCA | 1983 – 1985 |

Volunteer/Community Work

- | | |
|---|---------------|
| • Winchuck Rural Fire Protection District, Board of Directors | Oregon |
| • Oregon State Marine Board member, Governor appointment 2012 | Oregon |
| ○ Chairman, 2015-16 | |
| ○ Law Enforcement Advisory Group, Board representative | |
| • ODFW, Fall Chinook Conservation Plan – Rogue SMU, Advisory Committee | |
| • Kenai River Foundation, Wounded Heroes, Board of Directors | Alaska |
| • Brookings Harbor High School Golf Team, Assistant coach | Brookings, OR |
| • CASA of Brookings, Waterfront Ball, volunteer | Brookings, OR |
| • USFS, National Center for Wild & Scenic Rivers Excellence Working Group | |
| • Oregon South Coast Fishermen | Brookings, OR |
| ○ Reel Fishing Days | |
| ○ Azalea Festival Fish Tank | |
| ○ ODFW Carcass Survey Crew | |
| ○ Winter Steelhead Broodstock collection program | |
| • RAC – Chetco River, Oregon Department of State Lands | Brookings, OR |
| • The Compassionate Friends | Brookings, OR |
| • Chetco Watershed Council | Brookings, OR |

Early Management Team, Inc.

- Aleutian Goose Festival Smith River, CA
- Brookings-Harbor Safe N Sober Brookings, OR
- K.A.S.P.E.R. – auction committee Brookings, OR
- Community Action League Crescent City, CA
- Brookings Harbor Boosters, Fundraising Auction Committee Brookings, OR
- Kenai Watershed Forum Soldotna, AK
- Rowdy Creek Fish Hatchery Smith River, CA
- Take Our Kids Fishing, Kenai Peninsula Boys & Girls Club Soldotna, AK

Professional Organizations

- Kenai River Professional Guides Association Soldotna, AK
 - Take A Kid Fishing Day
 - Wounded Warriors
- Kenai River Sportfishing Association Soldotna, AK
 - Kid's Classic
 - Kenai River Classic
 - Women's Classic
 - SAFE Kids
- Brookings Harbor Chamber of Commerce Brookings, OR
- Kenai Peninsula Tourism and Marketing Group Soldotna, AK
- Del Norte Golf Course Women's Club

Permits

- USFS Special Use Permit – Rogue/Siskiyou National Forest
- USFS Special Use Permit – Gasquet National Forest
- BLM Middle Rogue Permit, Rogue/Siskiyou
- Kenai National Wildlife Refuge, Kenai River Upper River Trout Permit
- Alaska State Parks, Kenai River Special Use Permit
- Alaska State Parks, Kasilof River Special Use Permit
- Division of Mining, Land and Water , Kasilof River Special Use Permit
- Kenai River Center, Multi-agency Permits, Bank and Streamside Rehab

Interests

- Fishing, boating, golfing, education

References available upon request

Gary B. Early

PO Box 1688, Brookings, OR 97415
(541) 469-0525 garyearly@earlyfishing.com

Education

Shasta College	Redding, CA
College of the Redwoods	Eureka, CA
United State Coast Guard, Operator Uninspected Passenger Vessel, 1986 (current)	
Kenai River Guide Academy, 2009	Soldotna, AK

Work Experience

- Early Fishing, Inc. – Owner/operator 1990 – present
- Brookings Harbor High School Head Golf Coach 2015 - present
- Self Employed Fishing Guide 1982 – present
- Owen & Early’s Quality Lodging, Soldotna AK 1988 – present
- Del Norte Golf Course, greens keeper 1978 - 1980
- Friends of Cal-Ore Fish 1981 – present
 - Combined Non-profit organizations:
 - Friends of the North Coast Fish, Inc.
 - California and Oregon Fish Enhancement, Inc.

Volunteer/Community Work

- Oregon State Marine Board, Guide Advisory Committee Oregon
- Oregon South Coast Fishermen Brookings, OR
 - Reel Fishing Days
 - ODFW Carcass Survey Crew
- Aleutian Goose Festival Smith River, CA
- Rowdy Creek Fish Hatchery Smith River, CA
- Take Our Kids Fishing, Kenai Peninsula Boys & Girls Club Soldotna, AK
- Jr. Golf Program, Birch Ridge Golf Course Soldotna, AK
- Kid’s Golf Day, Kenai Golf Course Kenai, AK

Professional Organizations

- Kenai River Foundation Soldotna, AK
 - Wounded Heroes Event
 - Take Our Kids Fishing
 - Take A Vet Fishing
- Kenai River Professional Guides Association Soldotna, AK
- Kenai River Sportfishing Association Soldotna, AK
 - Kid’s Classic
 - Kenai River Classic
 - Women’s Classic

Early Management Team, Inc.

o SAFE Kids

- Brookings Harbor Chamber of Commerce Brookings, OR
- Kenai Peninsula Tourism and Marketing Group Soldotna, AK
- United State Golf Association
- Del Norte Men's Golf Club, Northern California Golf Association 5.4 low handicap
index
- Salmon Run Men's Golf Club
- Alaska Men's Golf Association

Financials

Profit and Loss Statement

	FY2017	FY2018	FY2019
Revenue	\$558,080	\$586,080	\$601,580
Direct Costs			
Gross Margin	\$558,080	\$586,080	\$601,580
Gross Margin %	100%	100%	100%
Operating Expenses			
Salary	\$180,000	\$200,000	\$220,000
Employee Related Expenses	\$27,000	\$30,000	\$33,000
Insurance	\$23,700	\$23,700	\$23,700
Cost of Goods Sold	\$72,000	\$72,000	\$72,000
Bank Charges	\$13,000	\$13,000	\$13,000
Water	\$2,500	\$2,500	\$2,500
Clubhouse Expenses	\$12,000	\$12,000	\$12,000
Advertising	\$8,000	\$8,000	\$8,000
Leases	\$6,000	\$6,000	\$6,000
Utilities	\$18,000	\$18,000	\$18,000
Other Administration Expenses	\$36,000	\$36,000	\$36,000
Course maintenance Expenses	\$52,000	\$52,000	\$52,000
Corporate Taxes	\$36	\$150	\$150
Total Operating Expenses	\$450,236	\$473,350	\$496,350
Operating Income	\$107,844	\$112,730	\$105,230
Interest Incurred	\$3,608	\$3,057	\$2,462
Depreciation and Amortization			
Income Taxes	\$15,635	\$16,451	\$15,416
Total Expenses	\$469,479	\$492,858	\$514,228
Net Profit	\$88,601	\$93,222	\$87,352
Net Profit / Sales	16%	16%	15%

Balance Sheet

Balance Sheet

	FY2017	FY2018	FY2019
Cash	\$98,910	\$184,745	\$262,247
Accounts Receivable	\$719	\$720	\$738
Inventory			
Other Current Assets			
Total Current Assets	\$99,629	\$185,465	\$262,985
Long-Term Assets			
Accumulated Depreciation			
Total Long-Term Assets			
Total Assets	\$99,629	\$185,465	\$262,985
Accounts Payable	\$3,041	\$3,038	\$3,035
Income Taxes Payable	\$15,635	\$16,451	\$15,416
Sales Taxes Payable	\$0	\$0	\$0
Short-Term Debt	\$8,199	\$8,794	\$9,429
Prepaid Revenue			
Total Current Liabilities	\$26,875	\$28,283	\$27,880
Long-Term Debt	\$39,153	\$30,359	\$20,930
Total Liabilities	\$66,028	\$58,642	\$48,810
Paid-in Capital			
Retained Earnings	(\$55,000)	\$33,601	\$126,823
Earnings	\$88,601	\$93,222	\$87,352
Total Owner's Equity	\$33,601	\$126,823	\$214,175
Total Liabilities & Equity	\$99,629	\$185,465	\$262,985

Cash Flow Statement

Cash Flow Statement

	FY2017	FY2018	FY2019
Net Cash Flow from Operations			
Net Profit	\$88,601	\$93,222	\$87,352
Depreciation and Amortization			
Change in Accounts Receivable	(\$716)	(\$1)	(\$18)
Change in Inventory			
Change in Accounts Payable	\$3,039	(\$3)	(\$3)
Change in Income Tax Payable	\$15,635	\$816	(\$1,035)
Change in Sales Tax Payable	\$0	\$0	\$0
Change in Prepaid Revenue			
Net Cash Flow from Operations	\$106,559	\$94,034	\$86,296
Investing & Financing			
Assets Purchased or Sold			
Investments Received			
Change in Long-Term Debt	(\$8,199)	(\$8,794)	(\$9,429)
Change in Short-Term Debt	\$551	\$595	\$635
Dividends & Distributions			
Net Cash Flow from Investing & Financing	(\$7,648)	(\$8,199)	(\$8,794)
Cash at Beginning of Period	(\$1)	\$98,910	\$184,745
Net Change in Cash	\$98,911	\$85,835	\$77,502
Cash at End of Period	\$98,910	\$184,745	\$262,247



Brookings City Council,

March 17, 2016

Re: Salmon Run Golf Course

This is to inform you that Early Management Team (EMT) has retained our firm Advanced Stormwater Protection (ASP) as consultants to assist them with monitoring and control of water run off on the Salmon Run Golf Course.

ASP maintains a full staff of Qualified Stormwater Developer's (QSD) and Qualified Stormwater Practitioners (QSP) certified to design, inspect, test & report on Best Management Practices (BMP) for water control and run-off.

We are honored to be a part of EMT's team of professionals to provide services in assisting the resurrection of this jewel of Brookings.

In addition, I would like to state that I have maintained a business and personal relationship with Gary and Valarie Early for over ten years and have been extremely impressed by their business management abilities as well as their commitment to stewardship of the community and environment.

I maintain a residence in the City of Brookings and I am a frequent participant at Salmon Run Golf Course and must say it would be a welcomed site to have this course consistently managed and maintained in a proper and professional manner.

Based on my experience with EMT they would certainly prove to be the firm that could provide this much-needed attention and would grow this operation to its fullest potential.

Please feel free to contact me should you need further information regarding our firm and its services or further explanations on my positive experiences with the Early Management Team.

Respectfully Submitted,

Steve Geney
707-953-8903
steve@aspnow.net

OCEANSIDE DINER SALMON RUN GOLF COURSE

City Council
Brookings Oregon

March 17, 2016

Dear Councilors,

I am writing this letter in support of Val and Gary Early and their proposal to operate Salmon Run Golf Course.

I have known them for 18 years. They patronized my restaurant with their clients as part of their fishing guide business. They were always organized, notified us ahead of time, if possible, and were always on time. They are hard workers and I am confident they will do what ever is necessary to make Salmon Run a success.

As we had upwards of 30 other fishing guides who also utilized our restaurant, we are in a unique position to judge business acumen and personal characteristics. Val and Gary are far and away the most honest, trustworthy and transparent. Their word is good.

Oceanside Diner just completed 18 years in business. As we begin our 19th year, we would be honored to work with them and we pledge not only our support but our cooperation and effort in making Salmon Run the "Jewel of Brookings" that it should be.

Sincerely,

Harriet Opsahl
Owner
Oceanside Diner



2011 E Carson Street
Carson CA 90810
310-522-5506

March 21, 2016

To Whom It May Concern:

It is my pleasure to give my personal letter of recommendation for Gary and Valerie Early. I have had both a friendship with Gary and Valerie for the last 30 plus years, as well as a business relationship with our lodge operation in Soldotna, Alaska.

Prior to purchasing our lodge in Alaska, I fished with both Gary and Val Oregon since the early 80's, fishing the Smith, Chetco, Rogue and Elk Rivers in Northern California and Southern Oregon. Their expertise and professionalism are second to none.

Valerie Early ran our lodge prior to our purchasing it from the original owners. I was continually impressed with how Val was able to run two lodges, a large fishing guide operation, and on top of that manage a family. Nothing ever lapsed; the lodge was kept in perfect condition and the customers kept coming back year after year all due to the personal touch of these incredible individuals. They are talented managers with entrepreneurial drive and experience.

Our friendship continues and I would do business with both of these individuals in a heartbeat. I have the upmost respect and confidence in the Gary and Valerie and consider it a privilege to be their business partner and friend.

Should you have questions, please feel free to contact me at your convenience.

Sincerely,

Gregory L. Owen
Head Coach
grego@trimodal.com
310-522-5506 ext 103

2011 E. Carson Street
Carson, CA. 90810

Attachment B
 Salmon Run Golf Course
 Property Asset Log

	Asset No.	Date Acquired	Asset	Value	Date Retired	Replacement Item
1		May-16	Clubhouse	\$31,000		
2	171	May-16	Toro Workman 3200 07202-90548	\$3,200		
3	164	May-16	Club Car Carry All EG9706-558686	\$1,100		
4	165	May-16	Club Car Carry All EG9746-622237	\$1,000		
5	138	May-16	Toro 3150 04357-270000771	\$3,500		
6	140	May-16	Toro 3100 04353-91214	\$500		
7	166	May-16	Toro 5400 D 03543-90193	\$4,500		
8	159	May-16	Toro 5400 D 03543-90182	\$300		
9	137	May-16	Ryan Sodcutter 99501159	\$500		
10	95	May-16	Ideal 240 Arc Weler U320-H260	\$1,500		
11	151	May-16	United Foley Backlapper 99C36505283	\$100		
12	149	May-16	Peerless 2000 Reel Grinder 188	\$2,000		
13	94	May-16	Golf Lift GL-9 (hoist) 6092698	\$2,400		
14	100	May-16	Parts Washer	\$100		
15	93	May-16	American Standard Furnace Z252PYK2V	\$700		
16	147	May-16	Fuel Cabinet	\$45		
17	177	May-16	350 Gal Diesel Tank & Unleaded Tank	\$625		
18	179-180	May-16	Furnas Irrigation Control Panel, 5 hp Pump, 50 hp Pump 147774, 50 hp Pump 24774, Amiad Filter Irrigation 03-1087-1111-3500	\$6,000		
19	96	May-16	Acetylene & Oxygen tanks	\$200		
20	97	May-16	2002-03 Fire Power FP 235 Welder	\$300		
21	104	May-16	12 ton H Frame Hydraulic Press 14590	\$80		
22	106	May-16	12 speed 3/4 HP Gardian Power BDM-58-12S Drill 1555	\$350		
23		May-16	Irrigation Software & programming	\$3,000		
24	98	May-16	Stihl Chair Sharpener 137211263	\$160		
25	92	May-16	2005 John Deere 3245 Rotary Mower	\$4,900		
26	103	May-16	Hydraulic Table	\$10		
27	107	May-16	Mobile Crane	\$175		
28	109	May-16	Schumacher 200 AMP Engine Starter	\$65		
29	119	May-16	Craftsman tool box and assorted hand tools	\$375		

Attachment B
 Salmon Run Golf Course
 Property Asset Log

30	120	May-16	DeWalt Power Tools	\$375		
31	121	May-16	DeWalt R299 Bedknife Facer	\$175		
32	123	May-16	Selbro PropBlow CH 185 18 HP Kohler 99181060	\$75		
33	124	May-16	Gossen Blower PTO Driven and 3 point hitch 740	\$750		
34	125	May-16	Textron Ryan Slicer/Seeder 2 Number 82256-1696	\$2,250		
35	126	May-16	Ingersoll-Rand 2340 T30 Vertical Air Compressor 103150183	\$500		
36	128	May-16	Industrial Sprayer 981106YD	\$65		
37	131	May-16	1999 Toro Topdresser w/6 ft bed 44225-90172	\$475		
38	157	May-16	1999 Toro 16 HP Greens Aerator 09120-90319	\$1,500		
39	158	May-16	1999 Toro Turf Sprayer 80109	\$900		
40	160	May-16	199 Toro Reelmaster 3100 04353-91216(T3)	\$5,500		
41	161	May-16	2004 EXGo MPT Utility Vehicle Unit 67	\$1,100		
42	163	May-16	1990 John Deere Gator 4.2 W004X2X0345(C5)	\$1,200		
43	167	May-16	Toro 5400	\$4,500		
44	168	May-16	2006 Toro 3150 18 HP Greensmaster 04353-91218(G2)	\$3,500		
45	169	May-16	1999 Toro 3000 D Groundsmaster 30302-90170	\$4,500		
46	170	May-16	1999 John Deere 1200 A Bunker Rake M01200A929043	\$1,100		
47	172	May-16	2002 Toro Workman C6 07202-80487	\$3,500		
48	173	May-16	2004 EZGO Marshall Cart	\$1,800		
49	174	May-16	2006 Dakota Turf Tender 410 Topdresser 41020906	\$1,800		
50	1	May-16	Montegue Grizzly Range	\$1,100		
51	2	May-16	Stainless Custom Exhaust Hood	\$350		
52	3	May-16	Accutemp Modular Walk In	\$800		
53	181	May-16	Tent Frame	\$6,500		
54	176	May-16	Equity value (58%) on 17 leased EZ GO carts (PNC lease)	\$20,706		
55	4	May-16	Toshiba 64" Flat Screen	\$350		
56	5	May-16	Banquet Steel Chairs (60)	\$600		
57	9	May-16	Golf Swing weight scale	\$20		
58	11	May-16	Table with curved leg	\$65		
59	29	May-16	Service counter pro shop	\$1,500		
60	32	May-16	POS System computer w/cash drawer	\$450		
61	37	May-16	3 door kegerator	\$1,000		
62	51	May-16	(74) Padded seat white chairs	\$525		

Attachment B
Salmon Run Golf Course
Property Asset Log

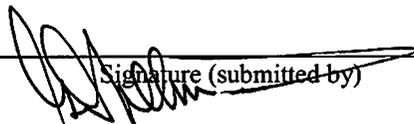
63	67	May-16	Gray Hon upright file cabinets	\$30		
64	73	May-16	Yamaha wireless microphone system	\$200		
65	74	May-16	First aid kits	\$15		
66	79	May-16	Toshiba Strata telephone system	\$100		
67	81	May-16	Executive Desk (main office)	\$40		
68	85	May-16	Executive Chair (manager office)	\$15		
69	87	May-16	Executive Chair (manager office)	\$15		
70	89	May-16	Computer table (manager office)	\$30		
71	90	May-16	Canon Duplexprinter	\$175		
72	162	May-16	National 8400 Hydrostatic Triplex Mower 8408	\$2,000		

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: May 19, 2016

Originating Dept: City Manager


Signature (submitted by)

City Manager Approval

Subject: Golf Cart Purchase

Recommended Motion:

- 1) Motion to authorize City Manager to purchase 48 golf carts, including 35 2016 model year EZGO carts from Pacific Golf and Turf and PNC Equipment, and 13 2015 model year Yamaha carts from Pacific Northwest Yamaha.
- 2) Motion to adopt Resolution 16-R-1077 authorizing financing of the golf cart purchase.

Financial Impact:

Financing liability of \$224,475 with estimated monthly payments of \$4,040 to be paid by the golf course management company. City will be the responsible party for payment if golf course operator is unable to make payments.

Background/Discussion:

Upon assuming the operation of Salmon Run Golf Course, City staff and the Early Management Team (EMT) evaluated the 45 golf carts that were owned or leased by Wild Rivers Golf Management. It was learned that 17 of the golf carts were actually in the process of being purchased through a third party leasing agency, and most of the other carts owned by WRGM were inoperable. For a short period, EMT and the City covered the lease costs of the 17 carts and leased additional carts to meet golf operations needs. According to EMT a minimum of 45 operating carts are needed to serve customers during peak operation periods and tournaments.

The WRGM-owned carts are over six years old and the existing three-year lease/purchase agreement on the 17 carts has 13 months remaining. The WRGM carts were not claimed as a part of the collateral to satisfy amounts owed the City by WRGM, but did claim the equity interest in the 17 leased carts.

EMT and City staff have been in contact with the company that supplied the lease carts. Staff and EMT are proposing to "trade in" the existing 17 carts and purchase 45 new carts. Staff has also considered alternative financing to secure the carts. The least-costly approach for the City and EMT would be to utilize the City's status as a government entity to finance the purchase of the carts at a low interest rate through Umpqua Bank, and then enter into an agreement with EMT whereby EMT would make payments in an equal amount to the City monthly.

The purchase cost for the carts would be \$224,475 and the estimated payments would be \$4,040. The term of the agreement with Umpqua Bank; the interest rate would be 3.08 per cent. By comparison, the lease/purchase financing available to EMT would be at 6.5-8.0 per cent. The

City will own the carts and lease them to EMT or a future operator. EMT will be responsible for maintenance of the carts.

Resolution 16-R-1077 is required as a condition of the financing by Umpqua Bank.

Attachment(s):

- a. Resolution 16-R-1077

CITY OF BROOKINGS

RESOLUTION 16-R-1077

A RESOLUTION OF THE CITY OF BROOKINGS AUTHORIZING FULL FAITH AND CREDIT BORROWINGS TO FINANCE EQUIPMENT FOR CITY-OWNED SALMON RUN GOLF COURSE.

WHEREAS, the City of Brookings, Oregon (the “City”) is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed; and,

WHEREAS, the City finds it desirable to finance up to \$225,000 to purchase golf carts for City-owned Salmon Run Golf Course (the “Equipment”); and,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brookings that:

1. Authorization of Financing Agreements.

- 1.1 The City is hereby authorized to enter into one or more financing agreements pursuant to ORS 271.390 and ORS Chapter 287A to finance the Improvements and to pay estimated costs of the financing. The net proceeds of the financing agreements that finance the Improvements shall not exceed the amount estimated to be required to provide \$850,000 for costs of Equipment, plus estimated costs of the financing.
- 1.2 The financing agreements authorized by this Section 1 are referred to in this Resolution as the “Financing Agreements.”

2. Determination of Need.

The City hereby determines that the Equipment and the projects financed are needed.

3. Delegation.

The City Manager and the Finance and Human Resources Director (each of whom is referred to in this resolution as a “City Official”) may, on behalf of the City and without further action by the Council:

- 3.1 Negotiate, execute and deliver one or more escrow agreements or similar documents (the “Escrow Agreements”) that provide for the issuance of one or more series of “certificates of participation” or “full faith and credit obligations” (the “Obligations”) that represent ownership interests in the loan payments due from the City under the Financing Agreements. Subject to the limitations of this resolution, the Escrow Agreements and each series of Obligations may be in such form and contain such terms as the City Official may approve.

- 3.2 Select one or more commercial banks with which to negotiate and execute each Financing Agreement, solicit competitive bids for the purchase of each series of the Obligations and award their sale to the bidder offering the most favorable terms to the City.
- 3.3 Engage the services of escrow agents or trustees and any other professionals whose services are desirable for the financing.
- 3.4 Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of each Financing Agreement. Subject to the limitations of this resolution, each Financing Agreement may be in such form and contain such terms as the City Official may approve.
- 3.5 Negotiate, execute and deliver notes to evidence amounts due under the Financing Agreements.
- 3.6 Secure any Financing Agreement with all or any portion of the revenues of the City's General Fund, and pledge those revenues to repay that Financing Agreement.
- 3.7 Covenant for the benefit of the banks providing the Financing Agreements or the owners of Obligations to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest paid under the Financing Agreements to be excluded from gross income for federal income tax purposes or issue the Financing Agreements as taxable borrowings.
- 3.8 Determine that interest on any Financing Agreement will be includable in gross income under the Code.
- 3.9 Designate each Financing Agreement as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable.
- 3.10 Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

4. Security.

Each Financing Agreement shall constitute an unconditional obligation of the City, which is payable from all legally available funds of the City. The City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution. In addition, the City Official may secure the Financing Agreements with revenues of the City as provided in Section 3.

Passed by the City Council May 19, 2016 and made effective the same date.

Ron Hedenskog, Mayor

Attest:

Teri Davis, City Recorder