



# Crook County

---

300 N E. 3rd Street • Prineville, Oregon 97754

Phone (541) 447-6555 • FAX (541) 416-3891

November 12, 2007

Robb Corbett, City Manager  
City of Prineville

Prineville, OR 97754

Dear Robb:

Please find attached a copy of a revised intergovernmental agreement transferring responsibility for financial management, insurance and legal representation from county to city. The revised agreement also renews the existing agreement indefinitely in all other respects and amends the termination provisions to allow either body, city or county, to opt out with 90 days notice to the other.

I believe the agreement accomplishes the goals the city, county and commission have discussed.

The agreement has been approved by the County Court, so it awaits approval by the City Council. If the city is so inclined, please return two signed copies to Crook County, and I will have them signed and return one original to you.

I will be out of town the week of Nov. 11 attending the Association of Oregon Counties meeting in Portland, but you can contact me through my office if you have any questions.

Sincerely,

Scott R. Cooper  
Crook County Judge

cc: Airport Commission Chair

## A G R E E M E N T

### AN AGREEMENT BETWEEN THE CITY OF PRINEVILLE AND CROOK COUNTY, OREGON, IN THE MATTER OF RENEWING, REVISING AND EXTENDING AN AGREEMENT RELATED TO THE ADMINISTRATION, OPERATION, MANAGEMENT AND DEVELOPMENT OF THE CITY-COUNTY AIRPORT

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by and between the City of Prineville, hereinafter called CITY, and Crook County, a political subdivision of the state of Oregon, hereinafter called COUNTY, in the matter of the administration, operation, management and development of the Prineville/Crook County, city-county airport as currently located and constructed primarily in Section 11, Township 15 South, Range 15 East, Willamette Meridian.

## W I T N E S S E T H

### Recitals

1. WHEREAS, the airport was jointly and cooperatively developed as a City-County airport for public use with the title of said land in the name of Crook County, and
2. WHEREAS, CITY and COUNTY previously adopted cooperative agreements related to administration, operation, management and development responsibilities of said airport for various financial and management reasons in October 1997, (made effective via county ordinance 123 adopted March 1998) and in a subsequent agreement approved April 16, 2003, and
3. WHEREAS, the current agreement between CITY and COUNTY is scheduled to be renegotiated on or before June 30, 2008, and
4. WHEREAS, CITY and COUNTY believe that a continuation of the present governance structure at the airport is in the best interests of local government, aviation and economic development, and
5. WHEREAS, CITY and COUNTY believe that only minor adjustments are needed in said agreement,

NOW THEREFORE BE IT AGREED BETWEEN THE PARTIES THAT GOVERNANCE OF SAID AIRPORT SHALL CONTINUE TO BE A JOINT AND COOPERATIVE RESPONSIBILITY OF THE CITY AND COUNTY, in accordance with the following terms and conditions:

1. The responsibility for day-to-day management of the airport shall continue to be vested in a five-member commission, hereinafter, COMMISSION, two of the members of which shall be appointed to staggered terms of four years each by CITY through its City Council and two of the members off which shall be appointed to staggered terms of four years each by COUNTY through its County Court. The fifth member shall be appointed alternately to a term of four years by CITY or COUNTY, on the schedule previously established in the initial agreement dated October 1997. Currently appointed members of the Commission shall continue to serve until expiration of their terms, and in the event of any vacancy on the Commission the appointing body shall fill that position for the remainder of the term.
2. COMMISSION shall be responsible for the governance of all property located north of highway 126 and defined as "airport" by the Federal Aviation Administration, but COUNTY shall retain all rights and privileges typical and appurtenant to the owner of real property except for those expressly delegated to the COMMISSION.
3. In the event of any dispute arising between the COMMISSION and lessees of airport property or users of the airport, the disputing party shall give to the other party or parties 30 days written notice of its desire to arbitrate. Courtesy notice shall also be provided to CITY and COUNTY, but neither CITY nor COUNTY shall be considered parties to the dispute. If the dispute is not resolved by negotiation between the parties within 30 days after notice has been given, the dispute shall be settled by arbitration in Crook County as provided for in Oregon Revised Statutes, chapter 36. A judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction and shall be final and binding on the parties including CITY and COUNTY. Each party shall bear its own expense in connection with the arbitration and shall share the administrative fees and incidental expenses imposed by the arbitrator. Prior to the commencement of any arbitration, any party other than the COMMISSION wishing to seek arbitration in relationship to a COMMISSION decision shall pay an advance deposit to the selected arbitrator of not less than \$500 to cover the cost of arbitration. The arbitrator shall determine as a condition of final resolution an equitable distribution of fees among the parties. This provision shall not be construed to extend to disputes between CITY and/or COUNTY and /OR COMMISSION, which shall be resolved exclusively through legislative and judicial processes except as may be mutually agreed to among and between the parties.
4. COMMISSION shall prepare and timely present to the COUNTY'S budget officer a proposed budget for inclusion in COUNTY'S budget to be presented to the budget committee and governing body of the COUNTY, beginning with fiscal year 2008-09. For the remainder of 2007-08, COUNTY shall adopt that budget related to airport operations adopted by CITY for fiscal year 2007-08 but nothing herein shall prevent COUNTY from subsequently modifying said budget to meet the changing fiscal condition of the airport. COUNTY shall be responsible for

providing the audit of the airport budget for each year the airport's budget is included in the COUNTY'S budget, including the fiscal year 2007-08, but CITY shall fully cooperate with COUNTY in providing audit documentation necessary to audit revenues received and expenditures incurred on behalf of the airport by the CITY during 2007-08. CITY shall within not later than December 31, 2007, remit to COUNTY all revenues held by CITY for the exclusive use and benefit of the airport and COMMISSION. All future revenues earned by COMMISSION shall be retained by COMMISSION and used exclusively for the benefit of the airport, but all expenses incurred by COMMISSION shall likewise be the responsibility of COMMISSION.

5. All contractual and associated obligations incurred by the COMMISSION prior to January 1, 2008, shall be the sole obligation of the COMMISSION and no obligation shall become the fiscal responsibility of the CITY or COUNTY. All contracts and agreements entered into by the COMMISSION shall be valid between the COMMISSION and contracting parties after January 1, 2008, but neither CITY nor COUNTY except through its express act and consent shall be considered party to said contracts. After January 1, 2008, the COMMISSION shall continue to have authority to enter into contracts and agreements in accordance with general limitations on contracting imposed by state law and county ordinance. Commission shall act as contract review board for any contract in excess of the minimum threshold level at which prevailing wage exemption shall apply, currently up to \$50,000. County Court shall act as contract review board for any contract in excess of the threshold at which prevailing wage shall apply, currently \$50,000 or more. COUNTY may establish a different threshold for which COMMISSION may serve as its own contract review board by order of the County Court. COMMISSION shall not have authority to act as agent for CITY or COUNTY unless such CITY or COUNTY or its duly authorized representative shall give authority to the COMMISSION to act for such body, and any such authorization to act in an agency capacity shall not extend authority to act as agent in all matters.
6. COUNTY shall provide property and liability insurance coverage and legal services to COMMISSION during the term of this agreement and commencing January 1, 2008 COMMISSION shall reimburse the county for its pro-rata portion of insurance cost. CITY shall remit to COUNTY for the benefit of COMMISSION any rebated premium resulting from transition of insurance coverage from CITY to COUNTY. COUNTY also reserves the right to assess COMMISSION reasonable and customary costs for legal services provided to COMMISSION or incurred by COUNTY as a result of litigation or real property transactions related to the airport or airport operations. This provision shall not extend to provision by COUNTY to COMMISSION of general counsel and advice.
7. On or before December 31, 2007, COMMISSION shall close any outstanding bank accounts maintained by COMMISSION and shall transfer all funds to a

depository designated by and under the supervision of the Crook County Treasurer. Thereafter, monies held by COUNTY for the use of the COMMISSION shall be administered as a separate fund or within a grant, reserve or enterprise fund of the COUNTY, provided that interest shall be paid. The investment of such funds shall be in accordance with the investment policy of COUNTY as implemented by the County Treasurer. The Treasurer shall pay expenses on a schedule to be determined by the Treasurer from the funds held by COUNTY for the use of the COMMISSION as directed by the COMMISSION, but the faith and credit of the COUNTY shall not be loaned to the COMMISSION without the express approval of the County Court. The County Treasurer shall provide at no cost to the COMMISSION upon its request such usual and customary financial reports as the software of the county may be capable of generating.

8. The hiring, evaluation, termination, supervision and determination of the working conditions of all employees at the airport shall be the responsibility of the COMMISSION, which shall also pay all associated costs from its budget, as approved by the governing body. Any employment relationship between COMMISSION and any individual shall not be construed as an employment relationship between that individual and CITY or COUNTY, except to the degree that CITY or COUNTY have expressly consented and contracted in writing to create such relationship.
9. All other costs associated with the management and operation of the airport shall be the responsibility of the COMMISSION, which shall operate in a self-sustaining manner, but nothing herein shall preclude the designation of funds by a governing body to the COMMISSION for the purpose of operating the airport and nothing shall preclude the COMMISSION from applying for and receiving grants to be used for the improvement of aviation.
10. Property at the airport to be used for aviation-related purposes shall be leased at the discretion of the airport commission. All leases of ground for aviation-related purposes shall be negotiated and approved by the COMMISSION. All revenues derived from leases of airport property shall inure to the benefit of the airport. COMMISSION shall record, or cause to be recorded, all leases within 60 days of execution. Failure to record such leases shall invalidate the lease, and COMMISSION shall so advise all lessees in the lease document. In the event that the COMMISSION is dissolved, such leases shall be transferable to COUNTY but proceeds of such leases shall continue to inure to the benefit of the airport. No lease shall be entered into for a period longer than ten (10) years without prior consent of the COUNTY.
11. Property at the airport to be used for non-aviation related industrial or commercial purposes shall be leased by COMMISSION only with prior consent of COUNTY. No property shall be leased for residential purposes. All revenues derived from industrial-commercial leases shall inure to the benefit of the airport.

12. No ground shall be sold except with the consent of COUNTY.
13. COMMISSION and its staff shall conduct all airport operations in accordance with regulations lawfully imposed by the Federal Aviation Administration and Oregon State Aeronautics Division and in accordance terms of such contracts and agreements governing the airport into which COUNTY and CITY may have entered.
14. COMMISSION shall operate the airport as provided for in the current approved Airport Master Plan and Airport Layout Plan. COMMISSION shall ensure that such plans are developed and adopted in accordance with the CITY/COUNTY Comprehensive Plan for Land Use and with the applicable zoning ordinances of the CITY and COUNTY.
15. The establishment of regulations governing aircraft and aviation at the airport shall be the responsibility of COMMISSION, and the COMMISSION shall have legal authority to commence enforcement proceedings in Courts of competent jurisdiction to enforce compliance with its rules and regulations.
16. COMMISSION shall conduct its affairs in accordance with Oregon Public Meetings Law, Oregon Public Records Law, Local Budget Law and all other laws and regulations pertinent to local governments.
17. COMMISSION shall not incur long-term debt (debt extending more than one year) without the prior consent of the COUNTY.
18. COMMISSION may apply for grants on its own initiative, but acceptance of grants shall be only with the consent of the COUNTY, and all grant funds will be appropriated in accordance with Local Budget Law by the governing body responsible for the budget in the year during which the grant will be accepted.

This agreement shall not abrogate any existing leases that may apply to the airport. This agreement is also subject to all existing easements and rights -of-way for roads, highways, canals, utility lines, water and sewer lines and poles lines located within airport boundaries.

This agreement shall be effective for a period beginning January 1, 2008, and shall supersede all previous agreements. A review and subsequent amendment of this agreement shall be initiated at any time upon request of CITY, COUNTY or COMMISSION with 90 days notice to the other. Either CITY or COUNTY may terminate this agreement with 90 days written notice to the other party.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

FOR CITY OF PRINEVILLE

FOR CROOK COUNTY

APPROVED:

\_\_\_\_\_  
Mike Wendel, Mayor, City of Prineville

\_\_\_\_\_  
Scott R. Cooper, County Judge

ATTEST:

\_\_\_\_\_  
Robb Corbett,  
City Manager, City of Prineville

\_\_\_\_\_  
Mike McCabe, Commissioner

\_\_\_\_\_  
Lynn Lundquist, Commissioner