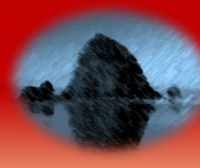




Cannon Beach

Rural Fire Protection District

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Cannon Beach Rural Fire Protection District

Board of Directors

Regular Meeting July 20, 2026, at 6:00pm

Fire Station Board Room – 188 Sunset Boulevard, Cannon Beach, OR

AGENDA

(posted July 13, 2026)

- Approve Agenda
- Public Comments and Correspondence
- Oath of office
 - Bob Cerelli
 - Rick Hudson
- Elect Board officers
 - President
 - Vice-President
 - Secretary/Treasure
- Approve June 8th budget hearing minutes
- Approve June 8th regular meeting minutes
- Approve June 30th special meeting minutes
- Status Reports
 - Finance
 - Call Response
 - Projects
 - Civil Service
- Business Items
 - Arch Cape Station expansion Financing
 - Contract
 - Resolution 26-05
 - Surplus siren cabinets
 - Resolution 26-06, accepting unplanned funds from TAC for Lifeguard towers
- Future meeting agenda Items
- Directors Comments
- Adjourn

Public is welcome to join in person or by Zoom.

<https://zoom.us/j/96909730187>

Meeting ID: 969 0973 0187

+1 253 215 8782 US (Tacoma)

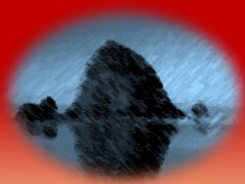
Public comments will be taken at the beginning of the meeting and is limited to three minutes per person.



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Rural Fire Protection District

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STAFF REPORT

Board member Oath of Office

Agenda Date: 7-20-26

Prepared by: Marc Reckmann, Fire Chief

BACKGROUND

With the resignation of Bob Heymann and David Pietka, the board solicited applications, interviewed, and on June 29th, voted to appoint Rick Hudson and Bob Cerelli to fill the two vacant positions.

Strategies:

Vice-President Dave Herman will administer the oath of office.

Recommendation:

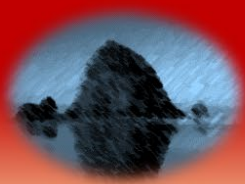
I (state your name) do solemnly swear that I will support the Constitution of the United States of America, and the Constitution and laws of the State of Oregon, and I will faithfully and honorably conduct myself in the office of the Cannon Beach Rural Fire Protection District director to which I have been appointed to the best of my ability so help me GOD.



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STAFF REPORT

Board Elections

Agenda Date: 7-20-26

Prepared by: Marc Reckmann, Fire Chief

BACKGROUND

Every July the board must elect a board president, vice-president, and Secretary/treasurer.

Strategies:

Accept nominations for each office.

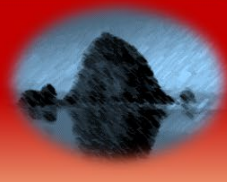
Recommendation:



Cannon Beach

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O KP WVGU

- **Call to Order**

- **Presiding:** Dave Herman – Call to order 6:00pm
- **Recording Executive Assistant:** Karen Paino
- **Directors Present:** Heidi Dethloff, Jenee Pearce-Mushen, Dave Herman
- **Staff Present:** DC Jason Smith, Fire Marshal John Jerome, Greg Munn

- **Approve Agenda –**

- **Motion:** Approve Agenda

Moved: Jenee Pearce-Mushen

Second: Heidi Dethloff

Approved 3-0

- **Public Comment – none**

- **Board of Director's Comments –**

- Heidi Dethloff –
- Jenee Pearce-Mushen –
- Dave Herman –

- **Meeting adjourned at – 6:05pm**

X

Dave Herman
Interim President

Cannon Beach Rural Fire Protection District
Board of Directors
Regular Meeting June 8th, 2026, at 6:05PM
Fire Station Board Room – 188 Sunset Boulevard, Cannon Beach, OR
MINUTES

- **Call to Order**

- **Presiding:** Dave Herman
- **Recording Secretary:** Karen Paino
- **Directors Present:** Heidi Dethloff, Jenee Pearce-Mushen, Dave Herman
- **Staff Present:** Jason Smith, John Jerome, Greg Munn

- **Approve Agenda –**

• Motion: Approve Agenda		
Moved: Jenee Pearce-Mushen	Second: Heidi Dethloff	Approved 3-0

- **Public Comment and Correspondence**

- **Approve: May 21st Budget Meeting Minutes-**

• Motion: Approve May 21st board minutes		
Moved: Heidi Dethloff	Second: Jenee Pearce-Mushen	Approved 3-0

- **Approve: May 11th Board Meeting Minutes-**

• Motion: Approve May 11 th board minutes		
Moved Jenee Pearce-Mushen	Second: Heidi Dethloff	Approved 3-0

- **Approve: May 14th Special Board Meeting Minutes**

• Motion: Approve May 14 th special board meeting minutes		
Moved: Heidi Dethloff	Second: Jenee Pearce-Mushen	Approved 3-0

- **Status Reports**

- **Finance** – Attachment A

- **Transition Update:** Munn provided an update on the PERS transition, noting that implementation is progressing as expected and that information is being entered correctly. He explained that PERS is a complex system that requires considerable time and effort, but overall progress is good.

Dethloff asked why the student program was currently underspent and whether the remaining funds would roll over. Smith confirmed that the unspent funds will be carried forward. He explained that training costs were included in the budget; however, some classes were canceled, resulting in scheduling challenges. The students continue to receive training despite those adjustments.

Call Response – Attachment B, Dethloff did ask if we could see the trends on calls from 2021-current in our July meeting.

Projects –See Attachment C

- **Civil Service** – Attachment D

- **Business Items –**

- **Resolution 26-04 adopting 26-27 budget**

• Motion: Approve the Resolution 26-04 adopting 26-27 budget		
Moved: Heidi Dethloff	Second: Jenee Pearce-Mushen	Approved 3-0

- **Approve: purchase of replacement staff vehicle**

• Motion: Approve purchase of replacement staff vehicle, 2026 Chevy Colorado		
Moved: Jenee Pearce-Mushen	Second: Heidi Dethloff	Approved 3-0

- **Arch Cape station expansion update** *see attachment

-

- **Approve: Authorize chief to sign contract with Greg Munn for financial oversight.**

Motion: Authorize chief to sign contract with Greg Munn for financial oversight.		
Moved: Jenee Pearce-Mushen	Second: Heidi Dethloff	Approved 3-0

- **Future meeting agenda items –**
- Public Statement Discussion, The Board spoke about the public statement issued following the last meeting. Jason will speak with the Chief to ensure the matter is formally documented. Jason will also request that the Chief send an email regarding the statement to the board. Additionally, Paino will include the topic in tonight's meeting to ensure it is documented in the meeting record
- June 30th special meeting to go over future candidates for the 2 board positions that are open.
- Jenee has been asked why we are putting our budget in the annual report, and why we are printing any of the annual reports, the public has made comment to Jenee in wanting it to be electronic and, on the website, to save money.
- Detloff would like a dispatch service update for the July meeting.

- **Director's Comments –**
 - Heidi Dethloff - Towers look Great.
 - Jenee Pearce-Mushen – Annual reports/Budget complaints, Earthquake simulation went great, Thanked John for helping with that.
 - Dave Herman – Talked about Hug Point and maybe having discussion with other agents on safety.
- **Meeting adjourned at – 7:00pm**

X

Dave Herman
Interim president

Cannon Beach Rural Fire Protection District
Board of Directors
Special Meeting June 30th, 2026, at 6:11PM
Fire Station Board Room – 188 Sunset Boulevard, Cannon Beach, OR
MINUTES

- **Call to Order**

- **Presiding:** Dave Herman
- **Recording Secretary:** Karen Paino
- **Directors Present:** Heidi Dethloff, Jenee Pearce-Mushen, Dave Herman
- **Staff Present:** Marc Reckmann, Karen Paino

- **Approve Agenda –**

• Motion to Approve Agenda		
Moved: Jenee Pearce-Mushen	Second: Heidi Dethloff	Approved – 3-0

- **Public Comment and Correspondence**

***Chief Reckmann temporarily exited the meeting at (6:15pm) to allow the Board to proceed with the candidate interviews.**

Application Interviews

- **Bob Cerelli** – Bob Cerelli was interviewed for the vacant Board position. He stated that he represents and supports the south end of the District and has been an Arch Cape resident for 50 years. Mr. Cerelli disclosed that his son is employed by the City of Cannon Beach but stated that he does not believe this would create a conflict of interest.
- Mr. Cerelli noted that he has served on numerous boards, including the CBRFD Board, and stated that he considers the CBRFD Board to be one of the most important boards on which to serve. He also shared that, if appointed, he intends to serve for one year and wanted to make that expectation clear.
- **Board Discussion**
- The Board discussed Mr. Cerelli's qualifications and his alignment with the District's mission and priorities. Board members agreed that his experience and familiarity with the Board's responsibilities would be significant assets. They also expressed appreciation for his previous service and understanding of Board operations and supported his appointment despite his stated intention to serve for only one year.

- **Stephen Day** – 6:33pm- The candidate interviewed for the vacant Board position and shared that he and his wife have been full-time residents of the district since June 10. He expressed a desire to become involved in the community as quickly as possible.
- The candidate stated that he is a Certified Public Accountant (CPA) whose career has primarily been in in-house finance roles. He has extensive experience working with

startup companies, with a focus on strategic planning and budgeting. He believes his financial expertise would be an asset to the Cannon Beach Rural Fire Protection District, particularly in the areas of budgeting and financial oversight.

- The candidate also shared that he has significant experience helping organizations work collaboratively and merge operations. He believes this background would allow him to contribute to strengthening relationships and collaboration between the Fire District, the city, and other community partners.
- The candidate stated that he has sufficient time to complete the required Board training.
- During the interview, Stephen asked how the Fire District is funded, and Herman provided an overview of the District's funding sources.
- Board discussed the candidate's qualifications and his alignment with the District's mission and priorities. Board members agreed that his financial expertise, strategic planning experience, and collaborative leadership background would be valuable assets to the District. The Board also noted his enthusiasm for becoming involved in the community and his willingness to complete the Board training required.

- **Rick Hudson** – 7:04pm- The candidate interviewed for the vacant Board position and shared that he has been a resident of the district since 2018. He previously served as the Emergency Manager for the City of Cannon Beach and expressed that he is pleased with the progress the Fire District has made in recent years.
- The candidate highlighted his extensive knowledge of emergency management, the local community, and the Oregon Coast. He noted that his parents also reside in the district and are actively involved in the community.
- The candidate stated that he served on the interview panels for the hiring of Jason Smith and Fire Chief Reckmann. He expressed that he has been impressed with Chief Reckmann's leadership and the direction of the Fire District.
- He emphasized that, if appointed to the Board, his role would be to provide governance and support rather than serve in an operational capacity. He stated that he is committed to being a fair and supportive Board member for the entire Fire District and is not seeking to function as a chief officer.
- The candidate shared that he has the flexibility to attend Board meetings, complete required Board training, and actively participate in Board responsibilities. He also believes his experience with budgeting and financial management would allow him to make meaningful contributions to the District's budget oversight and financial planning.
- The Board discussed the candidate's qualifications and his alignment with the District's mission and priorities. Board members agreed that his background in emergency management, familiarity with the local community, and understanding of governance would be valuable assets to the District. The Board also appreciated his recognition of the distinction between governance and operations and his commitment to supporting the Fire District in an oversight role.

- **John Rippey** – 7:37pm- John interviewed for the vacant Board position and shared that he has been a resident of the district for 35 years. He previously served as a lifeguard for Cannon Beach and retired at age 65. He also worked at the local recycling center.

- John stated that his background in aquatic safety could provide a valuable perspective in supporting the Chief with oversight related to water rescue and aquatic operations. He emphasized that he understands the Board's role is one of governance and oversight.
- John shared that he is available to attend Board meetings and complete the required Board training. He noted that he is unavailable on Sundays from 1:00 p.m. to 3:00 p.m.
- The candidate acknowledged that budgeting, expenses, and financial matters are outside his area of expertise and stated that he would need additional clarification and guidance on those topics.
- During the interview, John asked the current Board what three priorities they would like to accomplish over the next year.
- The Board discussed the candidate's qualifications and his alignment with the District's mission and priorities. Board members noted that his background in aquatic safety would provide a unique perspective, particularly regarding water rescue operations. They also appreciated his understanding of the Board's governance role and his willingness to learn more about the District's budgeting and financial responsibilities.

Motion to appoint Bob Cerelli to Board position #1 and Rick Hudson to Board position #2		
Moved: Heidi Dethloff	Second: Jenee Pearce-Mushen	Approved – 3-0

▪ **Directors Comments –**

- Herman – Board Positions, voting in July and Herman does not want to be President. He just does not have the time. We can extend voting to August.
- Dethloff – Does not feel like she is ready to be a board president.
- Pearce-Mushen - Jenee is in agreement with excepting being the CBRFD Board President when the voting happens, if that is what the outcome is to be.
- **Meeting adjourned at – 8:23pm**

X

Dave Herman
Interim president

2026 BUDGET POSITION

Cannon Beach Rural Fire Protection District

Time: 15:08:00 Date: 07/13/2026

Page: 1

001 General 07/01/2025 To: 06/30/2026

Revenues	Amt Budgeted	Revenues	Remaining	
308 51 00 001 Beginning Fund Balance	1,500,000.00	1,591,426.47	(91,426.47)	106.1%
308	1,500,000.00	1,591,426.47	(91,426.47)	106.1%

310 Property & Excise Taxes

311 10 00 001 Current Property Taxes	2,573,323.00	2,589,275.73	(15,952.73)	100.6%
311 10 10 001 Prior Year Taxes	22,000.00	81,778.27	(59,778.27)	371.7%
316 22 00 000 Prepared Food Tax	908,593.00	987,233.06	(78,640.06)	108.7%
310 Property & Excise Taxes	3,503,916.00	3,658,287.06	(154,371.06)	104.4%

330 Grant Revenue

334 02 40 000 Assistance to Firefighters	0.00	0.00	0.00	0.0%
334 02 50 000 SAFER Grant	0.00	0.00	0.00	0.0%
334 02 60 000 SDAO Grant	0.00	0.00	0.00	0.0%
337 00 00 000 Other Grants	0.00	2,640.00	(2,640.00)	0.0%
330 Grant Revenue	0.00	2,640.00	(2,640.00)	0.0%

340 Service Revenues

342 10 00 000 Fire Protection Revenue	500.00	0.00	500.00	0.0%
342 15 10 000 Hamlet Staffing	35,000.00	35,000.00	0.00	100.0%
342 15 20 000 Hamlet Admin	0.00	0.00	0.00	0.0%
342 20 00 000 Hydrant Maintenance Contract	0.00	0.00	0.00	0.0%
342 30 00 000 Lifeguard Income	265,000.00	314,000.00	(49,000.00)	118.5%
342 40 00 000 Conflagration/Mobilization	141,000.00	246,818.20	(105,818.20)	175.0%
340 Service Revenues	441,500.00	595,818.20	(154,318.20)	135.0%

360 Other Revenues

361 11 00 001 Interest Income	5,000.00	90,543.95	(85,543.95)	1810.9%
367 00 00 000 Donations	0.00	5,498.31	(5,498.31)	0.0%
369 91 00 000 Miscellaneous	5,000.00	43,304.69	(38,304.69)	866.1%
369 91 00 010 Insurance payments	0.00	8,871.16	(8,871.16)	0.0%
360 Other Revenues	10,000.00	148,218.11	(138,218.11)	1482.2%

390 Non-Revenues

395 00 00 000 Sale of Fixed Assets	0.00	12,062.39	(12,062.39)	0.0%
390 Non-Revenues	0.00	12,062.39	(12,062.39)	0.0%

Fund Revenues:	5,455,416.00	6,008,452.23	(553,036.23)	110.1%
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Expenditures	Amt Budgeted	Expenditures	Remaining	
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100 Personnel Services

521 Exempt Personnel

522 10 10 000 Exempt Salaries	485,500.00	508,591.12	(23,091.12)	104.8%
522 10 20 000 Exempt FICA/Med	37,200.00	42,503.94	(5,303.94)	114.3%
522 10 21 000 Exempt PERS	177,700.00	168,025.06	9,674.94	94.6%

2026 BUDGET POSITION

Cannon Beach Rural Fire Protection District

Time: 15:08:00 Date: 07/13/2026

Page: 2

001 General 07/01/2025 To: 06/30/2026

Expenditures	Amt Budgeted	Expenditures	Remaining	
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521 Exempt Personnel

522 10 22 000 Exempt Medical	103,000.00	100,945.74	2,054.26	98.0%
522 10 23 000 Exempt Worker's Comp	0.00	21,271.67	(21,271.67)	0.0%
521 Exempt Personnel	803,400.00	841,337.53	(37,937.53)	104.7%

522 Non-Exempt

522 20 10 000 FT FF Wages	594,165.00	524,374.60	69,790.40	88.3%
522 20 20 000 FT FF FICA/Med	45,500.00	61,554.46	(16,054.46)	135.3%
522 20 21 000 FT FF PERS	213,500.00	230,210.90	(16,710.90)	107.8%
522 20 22 000 FT FF Medical	156,900.00	146,258.20	10,641.80	93.2%
522 20 23 000 FT FF Workers Comp	44,800.00	56,142.52	(11,342.52)	125.3%
522 20 24 000 FT FF Disability	6,500.00	8,820.00	(2,320.00)	135.7%
522 Non-Exempt	1,061,365.00	1,027,360.68	34,004.32	96.8%

523 Lifeguards

522 31 10 000 Lifeguard Payroll	160,470.00	173,121.75	(12,651.75)	107.9%
522 31 20 000 Lifeguard FICA/MED	12,276.00	12,910.09	(634.09)	105.2%
522 31 21 000 Lifeguard PERS	52,843.00	15,876.55	36,966.45	30.0%
522 31 23 000 Lifeguard Worker's Comp	3,000.00	7,976.10	(4,976.10)	265.9%
523 Lifeguards	228,589.00	209,884.49	18,704.51	91.8%

524 Volunteers

522 23 10 000 Volunteer Payroll	48,000.00	47,088.72	911.28	98.1%
522 23 12 000 Length of Service Awards	11,200.00	10,900.00	300.00	97.3%
522 23 20 000 Volunteer FICA/Med	4,500.00	2,611.43	1,888.57	58.0%
522 23 21 000 Volunteer PERS	5,000.00	0.00	5,000.00	0.0%
524 Volunteers	68,700.00	60,600.15	8,099.85	88.2%

525 Part time

522 21 23 000 PT Worker's Comp	0.00	13,785.93	(13,785.93)	0.0%
522 22 10 000 PT FF Payroll	227,720.00	225,603.07	2,116.93	99.1%
522 22 11 000 PT Accounting	43,000.00	0.00	43,000.00	0.0%
522 22 20 000 PT FICA/Med	17,421.00	20,821.38	(3,400.38)	119.5%
522 22 21 000 PT PERS	74,988.00	42,624.70	32,363.30	56.8%
525 Part time	363,129.00	302,835.08	60,293.92	83.4%

526 Conflagration

522 21 10 000 Conflagration - Payroll	100,000.00	26,299.84	73,700.16	26.3%
522 21 20 000 Conflagration FICA/Med	8,000.00	112.63	7,887.37	1.4%
522 21 21 000 Conflagration PERS	33,000.00	0.00	33,000.00	0.0%
526 Conflagration	141,000.00	26,412.47	114,587.53	18.7%

527 Stipends/overtime/buyout

522 20 11 000 Overtime	250,000.00	160,164.47	89,835.53	64.1%
522 20 12 000 Duty Officer Stipend	10,000.00	8,950.00	1,050.00	89.5%

2026 BUDGET POSITION

Cannon Beach Rural Fire Protection District

Time: 15:08:00 Date: 07/13/2026

Page: 3

001 General 07/01/2025 To: 06/30/2026

Expenditures	Amt Budgeted	Expenditures	Remaining	
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527 Stipends/overtime/buyout

522 20 13 000 Exempt Vacation Cashout	15,000.00	2,776.00	12,224.00	18.5%
522 23 11 000 Firefighter Stipends	25,000.00	8,855.26	16,144.74	35.4%
527 Stipends/overtime/buyout	300,000.00	180,745.73	119,254.27	60.2%

528 LG Captain

522 30 10 000 LG Captain Salary	93,000.00	79,681.07	13,318.93	85.7%
522 30 20 000 LGC FICA/Med	7,200.00	9,330.26	(2,130.26)	129.6%
522 30 21 000 LGC PERS	36,000.00	43,102.41	(7,102.41)	119.7%
522 30 22 000 LGC Medical	39,000.00	35,893.56	3,106.44	92.0%
522 30 23 000 LGC Workers Comp	0.00	6,205.21	(6,205.21)	0.0%
522 30 24 000 LGC Disability	0.00	0.00	0.00	0.0%
528 LG Captain	175,200.00	174,212.51	987.49	99.4%

100 Personel Services	3,141,383.00	2,823,388.64	317,994.36	89.9%
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200 Material & Services

531 Operations

523 80 30 105 Comminucation Supplies	30,000.00	42,129.56	(12,129.56)	140.4%
523 80 30 115 Medical Supplies & Main	9,500.00	20,358.33	(10,858.33)	214.3%
523 80 30 125 Office Supplies & Main	15,000.00	19,463.45	(4,463.45)	129.8%
523 80 30 173 Disaster Preparedness	1,500.00	0.00	1,500.00	0.0%
523 80 42 165 Postage & Freight	2,500.00	187.22	2,312.78	7.5%
523 80 45 199 Housing	82,000.00	68,376.00	13,624.00	83.4%
523 80 47 130 Utilities - Garbage	5,200.00	5,735.21	(535.21)	110.3%
523 80 47 140 Utilities - Telephone	8,000.00	6,296.44	1,703.56	78.7%
523 80 47 150 Utilities - Electric	15,000.00	16,717.00	(1,717.00)	111.4%
523 80 47 160 Utilities - Nat. Gas / Propane	3,300.00	2,575.32	724.68	78.0%
531 Operations	172,000.00	181,838.53	(9,838.53)	105.7%

532 Equipment & Apparatus

523 60 32 215 Tires	7,500.00	3,660.11	3,839.89	48.8%
523 60 32 225 Batteries	4,500.00	118.84	4,381.16	2.6%
523 60 32 235 Fuel	30,000.00	30,524.75	(524.75)	101.7%
523 60 35 205 Tools	7,500.00	11,805.53	(4,305.53)	157.4%
523 60 48 213 Repairs - Miscellaneous	10,000.00	33,566.57	(23,566.57)	335.7%
523 60 48 223 Vehicle Maint. Supplies	55,000.00	25,095.67	29,904.33	45.6%
523 60 48 233 Apparatus Repair	45,000.00	57,574.95	(12,574.95)	127.9%
532 Equipment & Apparatus	159,500.00	162,346.42	(2,846.42)	101.8%

533 Building Maintenance

523 50 41 323 Janitorial Services & Supplies	3,500.00	3,085.91	414.09	88.2%
523 50 41 333 Landscape Maint. Service	13,000.00	11,345.00	1,655.00	87.3%
523 50 48 303 Building Maintenance	25,000.00	37,127.95	(12,127.95)	148.5%
523 50 48 313 COWS Maintenance	5,000.00	0.00	5,000.00	0.0%

2026 BUDGET POSITION

Cannon Beach Rural Fire Protection District

Time: 15:08:00 Date: 07/13/2026

Page: 4

001 General 07/01/2025 To: 06/30/2026

Expenditures	Amt Budgeted	Expenditures	Remaining	
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533 Building Maintenance

533 Building Maintenance	46,500.00	51,558.86	(5,058.86)	110.9%
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534 Education and Training

523 45 35 405 Training Aids	5,000.00	5,480.11	(480.11)	109.6%
523 45 43 434 Board Mem Train & Travel	2,000.00	0.00	2,000.00	0.0%
523 45 44 404 Recruitment & Retention	20,000.00	20,620.97	(620.97)	103.1%
523 45 44 414 Firefighter & EMT Training	15,000.00	28,297.01	(13,297.01)	188.6%
523 45 44 495 Student Program	42,000.00	14,366.10	27,633.90	34.2%
523 45 44 496 Food/Water/Snacks	5,000.00	2,892.44	2,107.56	57.8%
523 45 44 497 Rope Rescue Training/Equipment	25,000.00	7,889.81	17,110.19	31.6%
523 45 49 424 Dues & Subscriptions	35,000.00	20,973.69	14,026.31	59.9%
534 Education and Training	149,000.00	100,520.13	48,479.87	67.5%

535 Professional Services

523 11 41 507 911 Dispatch Services	24,000.00	17,101.84	6,898.16	71.3%
523 11 41 527 Accounting Services	0.00	93,230.87	(93,230.87)	0.0%
523 11 41 557 Legal Services	10,000.00	13,153.50	(3,153.50)	131.5%
523 11 41 567 Audit Filing	9,500.00	9,500.00	0.00	100.0%
523 11 41 577 Legal Notices	1,000.00	1,062.29	(62.29)	106.2%
523 11 41 588 Network Administration	20,000.00	31,355.10	(11,355.10)	156.8%
523 11 41 596 Employee Assistance Program	500.00	0.00	500.00	0.0%
523 11 41 597 Medical Exams	10,000.00	18,807.88	(8,807.88)	188.1%
535 Professional Services	75,000.00	184,211.48	(109,211.48)	245.6%

536 Protective Equipment

523 24 35 604 Wildland PPE	10,000.00	0.00	10,000.00	0.0%
523 24 35 605 Misc Protective Equipment	7,500.00	8,156.39	(656.39)	108.8%
523 24 35 606 Grant Funded PPE	0.00	0.00	0.00	0.0%
523 24 35 615 Uniforms	25,000.00	13,171.85	11,828.15	52.7%
523 24 35 625 Turnouts	35,000.00	6,421.69	28,578.31	18.3%
536 Protective Equipment	77,500.00	27,749.93	49,750.07	35.8%

537 Advertising

523 13 42 708 Advertising	10,000.00	5,095.51	4,904.49	51.0%
537 Advertising	10,000.00	5,095.51	4,904.49	51.0%

538 Auto & Liability Insurance

523 12 47 801 Auto & General Liab Ins	63,000.00	61,622.00	1,378.00	97.8%
523 12 47 802 Pollution Liability	2,000.00	3,943.20	(1,943.20)	197.2%
538 Auto & Liability Insurance	65,000.00	65,565.20	(565.20)	100.9%

539 Lifeguard Operations

523 55 31 550 LG Uniforms	4,000.00	1,775.88	2,224.12	44.4%
523 55 31 551 LG EMS Supplies	1,800.00	1,451.80	348.20	80.7%

2026 BUDGET POSITION

Cannon Beach Rural Fire Protection District

Time: 15:08:00 Date: 07/13/2026

Page: 5

001 General

07/01/2025 To: 06/30/2026

Expenditures		Amt Budgeted	Expenditures	Remaining	
539 Lifeguard Operations					
523 55 31 552	LG Supplies	2,500.00	2,366.01	133.99	94.6%
523 55 32 560	LG Fuel	6,500.00	11,615.36	(5,115.36)	178.7%
523 55 41 570	LG Accounting	3,000.00	288.00	2,712.00	9.6%
523 55 42 575	LG Signage	5,000.00	708.00	4,292.00	14.2%
523 55 48 590	LG Vehicle Maintenance	15,000.00	8,097.55	6,902.45	54.0%
539 Lifeguard Operations		37,800.00	26,302.60	11,497.40	69.6%
200 Material & Services		792,300.00	805,188.66	(12,888.66)	101.6%
Fund Expenditures:		3,933,683.00	3,628,577.30	305,105.70	92.2%
Fund Excess/(Deficit):		1,521,733.00	2,379,874.93		

Payroll Liabilities : \$1,800.68

Transfer to Capital \$290,000

Ending Fund Balance: \$2,088,074.25

2026 BUDGET POSITION TOTALS

Fund	Revenue Budgeted	Received		Expense Budgeted	Spent	
001 General	5,455,416.00	6,008,452.23	110.1%	3,933,683.00	3,628,577.30	92%
	5,455,416.00	6,008,452.23	110.1%	3,933,683.00	3,628,577.30	92.2%

2026 BUDGET POSITION

Cannon Beach Rural Fire Protection District

Time: 15:33:08 Date: 07/13/2026

Page: 1

300 Reserve 07/01/2025 To: 06/30/2026

Revenues	Amt Budgeted	Revenues	Remaining	
308 51 00 300 Beginning Balance	302,000.00	265,682.81	36,317.19	88.0%
308	302,000.00	265,682.81	36,317.19	88.0%

330 Grant Revenue

334 02 40 300 AFG Grant proceeds	482,600.00	0.00	482,600.00	0.0%
334 02 70 300 Seismic Grant	1,300,000.00	56,508.00	1,243,492.00	4.3%
330 Grant Revenue	1,782,600.00	56,508.00	1,726,092.00	3.2%

360 Other Revenues

361 11 00 300 Investment Interest	0.00	0.00	0.00	0.0%
360 Other Revenues	0.00	0.00	0.00	0.0%

300 Capital

390 Non-Revenues

391 22 00 300 Loan proceeds	1,500,000.00	0.00	1,500,000.00	0.0%
390 Non-Revenues	1,500,000.00	0.00	1,500,000.00	0.0%

397 Interfund Transfers In

397 00 00 300 Transfer in from General Fund	290,000.00	290,000.00	0.00	100.0%
397 Interfund Transfers In	290,000.00	290,000.00	0.00	100.0%

300 Capital	1,790,000.00	290,000.00	1,500,000.00	16.2%
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Fund Revenues:	3,874,600.00	612,190.81	3,262,409.19	15.8%
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Expenditures	Amt Budgeted	Expenditures	Remaining	
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300 Capital

594 Capital Expenditures

594 22 64 100 Thermal Imagers	486,800.00	0.00	486,800.00	0.0%
594 41 60 300 Other Capital Expenditures	300,000.00	308,699.99	(8,699.99)	102.9%
594 50 62 100 Seismic	1,300,000.00	57,120.10	1,242,879.90	4.4%
594 50 62 101 Station addition	1,500,000.00	95,343.69	1,404,656.31	6.4%
594 55 64 100 Lifeguard equipment	5,000.00	6,261.75	(1,261.75)	125.2%
594 60 63 100 Apparatus Upgrades	20,000.00	34,472.04	(14,472.04)	172.4%
594 Capital Expenditures	3,611,800.00	501,897.57	3,109,902.43	13.9%

999 Ending Balances

508 51 00 300 Ending Fund balance	262,800.00	0.00	262,800.00	0.0%
999 Ending Balances	262,800.00	0.00	262,800.00	0.0%

300 Capital	3,874,600.00	501,897.57	3,372,702.43	13.0%
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2026 BUDGET POSITION

300 Reserve		07/01/2025 To: 06/30/2026		
Expenditures	Amt Budgeted	Expenditures	Remaining	
Fund Expenditures:	3,874,600.00	501,897.57	3,372,702.43	13.0%
Fund Excess/(Deficit):	0.00	110,293.24		

2026 BUDGET POSITION TOTALS

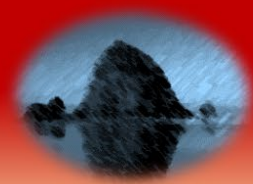
Fund	Revenue Budgeted	Received		Expense Budgeted	Spent	
300 Reserve	3,874,600.00	612,190.81	15.8%	3,874,600.00	501,897.57	13%
	3,874,600.00	612,190.81	15.8%	3,874,600.00	501,897.57	13.0%



Cannon Beach

Rural Fire Protection District

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June 2026 Call Statistics

Calls for service by month/year:

	2021	2022	2023	2024	2025	2026
January	47	41	29	56	52	34
February	33	32	30	41	56	43
March	28	36	45	49	54	44
April	44	40	55	46	62	49
May	49	49	54	65	72	45
June	52	45	61	66	69	80
TOTAL for TYD	253	243	274	323	365	295

Tourism vs. resident calls:

ANSWERS	# INCIDENTS	% of Total
Is this tourism related?		
No	22	27.50%
Yes	58	72.50%

Types of calls:

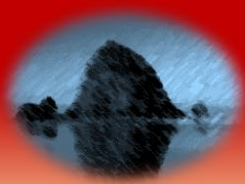
MAJOR INCIDENT TYPE	# INCIDENTS	% of TOTAL
Fires	0	0.00%
Overpressure rupture, explosion, overhear - no fire	0	0.00%
Rescue & Emergency Medical Service	47	58.75%
Hazardous Condition (No Fire)	0	0.00%
Service Call	20	25.00%
Good Intent Call	3	3.75%
False Alarm & False Call	10	12.50%
Severe Weather & Natural Disaster	0	0.00%
TOTAL	80	100.00%



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Response Zone	# INCIDENTS	% of Total
Arch Cape	9	11%
Falcon Cove	3	4%
Other	0	0%
Cannon Beach	63	79%
Hamlet	5	6%

PSAP Call Date/Time	Last Unit Cleared Date/Time	Incident Number	Dispatched Incident Type	Actual Incident Type Found (NFIRS)
6/3/2026 12:37	6/3/2026 13:12	CBFD2026-0216	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/3/2026 22:43	6/3/2026 23:04	CBFD2026-0217	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/4/2026 16:56	6/4/2026 17:14	CBFD2026-0218	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/5/2026 10:28	6/5/2026 14:12	CBFD2026-0219	*MVA-MOTOR VEH ACCIDENT	322 - Motor vehicle accident with injuries
6/6/2026 16:04	6/6/2026 16:21	CBFD2026-0220	EMS-EMS	554 - Assist invalid
6/6/2026 16:11	6/6/2026 18:51	CBFD2026-0221	HART-HIGH ANGLE RESCUE	356 - High-angle rescue
6/7/2026 12:08	6/7/2026 13:05	CBFD2026-0222	*MVA-MOTOR VEH ACCIDENT	322 - Motor vehicle accident with injuries
6/7/2026 15:08	6/7/2026 15:40	CBFD2026-0223	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/7/2026 19:12	6/7/2026 19:30	CBFD2026-0224	PUB-PUBLIC ASSIST	550 - Public service assistance, other
6/7/2026 21:03	6/7/2026 21:15	CBFD2026-0225	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/8/2026 0:20	6/8/2026 1:58	CBFD2026-0226	WLFR-WELFARE CHECK	321 - EMS call, excluding vehicle accident with injury
6/8/2026 8:20	6/8/2026 9:27	CBFD2026-0227	VEH-VEHICLE FIRE	551 - Assist police or other governmental agency
6/8/2026 11:56	6/8/2026 12:50	CBFD2026-0228	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/9/2026 0:16	6/9/2026 0:32	CBFD2026-0229	PUB-PUBLIC ASSIST	551 - Assist police or other governmental agency
6/10/2026 20:02	6/10/2026 20:13	CBFD2026-0230	ALRF-FIRE ALARM ACTIVATION	744 - Detector activation, no fire - unintentional
6/10/2026 20:09	6/10/2026 20:25	CBFD2026-0231	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/11/2026 14:58	6/11/2026 16:08	CBFD2026-0232	*MVA-MOTOR VEH ACCIDENT	324 - Motor vehicle accident with no injuries.
6/11/2026 16:14	6/11/2026 16:31	CBFD2026-0233	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/12/2026 7:03	6/12/2026 8:01	CBFD2026-0234	WATR-WATER RESCUE	342 - Search for person in water
6/12/2026 10:54	6/12/2026 11:00	CBFD2026-0235	EMS-EMS	622 - No incident found on arrival at dispatch address
6/13/2026 0:53	6/13/2026 1:22	CBFD2026-0236	PUB-PUBLIC ASSIST	554 - Assist invalid
6/13/2026 1:53	6/13/2026 2:18	CBFD2026-0237	ALRF-FIRE ALARM ACTIVATION	743 - Smoke detector activation, no fire - unintentional
6/13/2026 16:05	6/13/2026 16:38	CBFD2026-0238	PUB-PUBLIC ASSIST	340 - Search for lost person, other
6/13/2026 17:03	6/13/2026 17:08	CBFD2026-0239	PUB-PUBLIC ASSIST	611 - Dispatched & canceled en route
6/14/2026 8:48	6/14/2026 9:27	CBFD2026-0240	FINV-FIRE INVESTIGATION	561 - Unauthorized burning
6/14/2026 9:26	6/14/2026 9:51	CBFD2026-0241	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/14/2026 12:15	6/14/2026 12:43	CBFD2026-0242	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/14/2026 18:33	6/14/2026 19:16	CBFD2026-0243	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/14/2026 18:39	6/14/2026 19:20	CBFD2026-0244	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/14/2026 20:43	6/14/2026 23:03	CBFD2026-0245	*MVA-MOTOR VEH ACCIDENT	324 - Motor vehicle accident with no injuries.
6/15/2026 5:26	6/15/2026 5:47	CBFD2026-0246	PUB-PUBLIC ASSIST	561 - Unauthorized burning
6/15/2026 20:51	6/15/2026 21:14	CBFD2026-0247	ALRF-FIRE ALARM ACTIVATION	745 - Alarm system activation, no fire - unintentional
6/16/2026 5:42	6/16/2026 6:09	CBFD2026-0248	PUB-PUBLIC ASSIST	561 - Unauthorized burning
6/16/2026 9:04	6/16/2026 9:44	CBFD2026-0249	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/16/2026 22:46	6/16/2026 23:45	CBFD2026-0250	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/17/2026 9:20	6/17/2026 9:40	CBFD2026-0251	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/17/2026 20:50	6/17/2026 21:18	CBFD2026-0252	FINV-FIRE INVESTIGATION	561 - Unauthorized burning
6/18/2026 21:48	6/18/2026 22:10	CBFD2026-0253	FINV-FIRE INVESTIGATION	561 - Unauthorized burning

6/18/2026 22:12	6/18/2026 22:44	CBFD2026-0254	FINV-FIRE INVESTIGATION	561 - Unauthorized burning
6/19/2026 9:47	6/19/2026 10:01	CBFD2026-0255	ALRF-FIRE ALARM ACTIVATION	735 - Alarm system sounded due to malfunction
6/19/2026 15:45	6/19/2026 16:02	CBFD2026-0256	PUB-PUBLIC ASSIST	341 - Search for person on land
6/19/2026 18:12	6/19/2026 18:47	CBFD2026-0257	EMS-EMS	552 - Police matter
6/19/2026 18:57	6/19/2026 22:02	CBFD2026-0258	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/19/2026 21:38	6/19/2026 22:04	CBFD2026-0259	PUB-PUBLIC ASSIST	554 - Assist invalid
6/20/2026 8:24	6/20/2026 8:44	CBFD2026-0260	FINV-FIRE INVESTIGATION	561 - Unauthorized burning
6/20/2026 13:49	6/20/2026 14:01	CBFD2026-0261	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/20/2026 14:32	6/20/2026 14:42	CBFD2026-0262	PUB-PUBLIC ASSIST	341 - Search for person on land
6/20/2026 14:32	6/20/2026 14:42	CBFD2026-0263	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/20/2026 15:14	6/20/2026 15:37	CBFD2026-0264	PUB-PUBLIC ASSIST	341 - Search for person on land
6/20/2026 15:37	6/20/2026 15:40	CBFD2026-0265	PUB-PUBLIC ASSIST	341 - Search for person on land
6/20/2026 21:40	6/20/2026 22:05	CBFD2026-0266	*MVA-MOTOR VEH ACCIDENT	324 - Motor vehicle accident with no injuries.
6/21/2026 2:15	6/21/2026 3:05	CBFD2026-0267	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/21/2026 8:29	6/21/2026 8:58	CBFD2026-0268	FINV-FIRE INVESTIGATION	561 - Unauthorized burning
6/21/2026 13:22	6/21/2026 13:46	CBFD2026-0269	*MVA-MOTOR VEH ACCIDENT	324 - Motor vehicle accident with no injuries.
6/21/2026 21:30	6/21/2026 22:03	CBFD2026-0270	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/22/2026 13:48	6/22/2026 14:22	CBFD2026-0271	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/22/2026 14:07	6/22/2026 14:16	CBFD2026-0272	ALRF-FIRE ALARM ACTIVATION	733 - Smoke detector activation due to malfunction
6/22/2026 22:38	6/22/2026 23:26	CBFD2026-0273	WLFR-WELFARE CHECK	321 - EMS call, excluding vehicle accident with injury
6/23/2026 12:45	6/23/2026 15:05	CBFD2026-0274	*MVAI-MOTOR VEH ACCIDENT INJURY	324 - Motor vehicle accident with no injuries.
6/24/2026 23:23	6/24/2026 23:52	CBFD2026-0275	ALRF-FIRE ALARM ACTIVATION	736 - CO detector activation due to malfunction
6/25/2026 10:59	6/25/2026 11:27	CBFD2026-0276	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/25/2026 11:43	6/25/2026 12:26	CBFD2026-0277	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/25/2026 13:52	6/25/2026 14:02	CBFD2026-0278	FINV-FIRE INVESTIGATION	561 - Unauthorized burning
6/25/2026 16:22	6/25/2026 16:35	CBFD2026-0279	PUB-PUBLIC ASSIST	551 - Assist police or other governmental agency
6/25/2026 22:11	6/25/2026 22:35	CBFD2026-0280	FINV-FIRE INVESTIGATION	551 - Assist police or other governmental agency
6/25/2026 22:30	6/25/2026 23:02	CBFD2026-0281	ALRF-FIRE ALARM ACTIVATION	733 - Smoke detector activation due to malfunction
6/25/2026 23:54	6/26/2026 0:10	CBFD2026-0282	PUB-PUBLIC ASSIST	733 - Smoke detector activation due to malfunction
6/26/2026 3:00	6/26/2026 3:30	CBFD2026-0283	ALRF-FIRE ALARM ACTIVATION	735 - Alarm system sounded due to malfunction
6/26/2026 15:05	6/26/2026 15:34	CBFD2026-0284	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/26/2026 19:27	6/26/2026 19:49	CBFD2026-0285	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/26/2026 23:43	6/27/2026 0:08	CBFD2026-0286	ALRF-FIRE ALARM ACTIVATION	735 - Alarm system sounded due to malfunction
6/27/2026 9:20	6/27/2026 10:44	CBFD2026-0287	PUB-PUBLIC ASSIST	324 - Motor vehicle accident with no injuries.
6/27/2026 9:43	6/27/2026 10:11	CBFD2026-0288	*MVA-MOTOR VEH ACCIDENT	324 - Motor vehicle accident with no injuries.
6/27/2026 14:03	6/27/2026 14:18	CBFD2026-0289	PUB-PUBLIC ASSIST	551 - Assist police or other governmental agency
6/27/2026 18:32	6/27/2026 20:30	CBFD2026-0290	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/27/2026 21:02	6/27/2026 21:27	CBFD2026-0291	PUB-PUBLIC ASSIST	622 - No incident found on arrival at dispatch address
6/28/2026 18:06	6/28/2026 18:51	CBFD2026-0292	EMS-EMS	321 - EMS call, excluding vehicle accident with injury

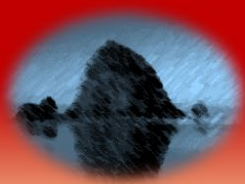
6/30/2026 12:03	6/30/2026 12:43 CBFD2026-0293	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/30/2026 13:49	6/30/2026 14:20 CBFD2026-0294	EMS-EMS	321 - EMS call, excluding vehicle accident with injury
6/30/2026 16:36	6/30/2026 17:03 CBFD2026-0295	FINV-FIRE INVESTIGATION	561 - Unauthorized burning



Cannon Beach

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Project update 7/13/2026

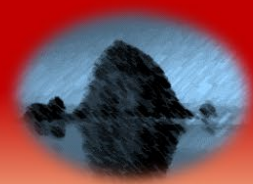
- Assistance to Firefighter Grant
 - Awarded regional grant to Cannon Beach, Hamlet, and Elsie
 - Cannon Beach portion is \$116,610, our share is \$5,553.86
 - Funds 14 sets of turnouts (coats, pants, boots, helmets, gloves), 14 sets of wildland gear (pants, shirts, helmets, shelters, and wildland packs), and 30 reflective vests
 - All turnouts are in and in service.
 - Wildland PPE is ordered
- Arch Cape Station
 - Working on Cost Estimates
 - Working on PP&L easements.
- Lifeguards
 - Towers installed and staffed
 - Guard season in full swing.
- Arch Cape Engine
 - Close to being in service.
- Dispatch consolidation
 - Meeting were on hold for a bit, but sounds like are going to be coming back.



Cannon Beach

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STAFF REPORT

Special Public Works Fund Financing Agreement

Agenda Date: 7-20-26

Prepared by: Marc Reckmann, Fire Chief

BACKGROUND

In May I reported that we had received approval for the financing through the State of Oregon Special Public Works Fund for the Arch Cape Expansion Project.

Strategies:

Resolution adopting financing and approving the contract.

Recommendation:

Motion to approve Resolution 26-05



SPECIAL PUBLIC WORKS FUND DEVELOPMENT PROJECT
FINANCING CONTRACT

Project Name: Arch Cape Fire Station Expansion

Project Number: L26008

This financing contract (“Contract”), dated as of the date the Contract is fully executed, is made by the State of Oregon, acting by and through its Oregon Infrastructure Finance Authority of the Oregon Business Development Department (“OBDD”), and the Cannon Beach Rural Fire Protection District (“Recipient”) for financing of the project referred to above and described in Exhibit C (“Project”). This Contract becomes effective only when fully signed and approved as required by applicable law. Capitalized terms not defined in section 1 and elsewhere in the body of the Contract have the meanings assigned to them by Exhibit A.

This Contract includes the following exhibits, listed in descending order of precedence for purposes of resolving any conflict between two or more of the parts:

Exhibit A	General Definitions
Exhibit B	Loan Security
Exhibit C	Project Description
Exhibit D	Project Budget

SECTION 1 - KEY TERMS

The following capitalized terms have the meanings assigned below.

“Estimated Project Cost” means \$1,500,000.

“Interest Rate” means 5.22% per annum.

“Loan Amount” means \$1,500,000.

“Maturity Date” means 1 December, 2057.

“Payment Date” means 1 December.

“Project Closeout Deadline” means 90 days after the earlier of the Project Completion Date or the Project Completion Deadline.

“Project Completion Deadline” means 36 months after the date of this Contract.

“Repayment Commencement Date” means the first Payment Date to occur after the Project Closeout Deadline.

SECTION 2 - FINANCIAL ASSISTANCE

OBDD shall provide Recipient, and Recipient shall accept from OBDD, financing for the Project specified below:

A non-revolving loan (the “Loan”) in an aggregate principal amount not to exceed the Loan Amount.

Notwithstanding the above, the aggregate total of Financing Proceeds disbursed under this Contract cannot exceed the Costs of the Project.

SECTION 3 - DISBURSEMENTS

- A. Reimbursement Basis. The Financing Proceeds will be disbursed to Recipient on an expense reimbursement or costs-incurred basis. Recipient must submit each disbursement request for the Financing Proceeds on an OBDD-provided or OBDD-approved disbursement request form ("Disbursement Request").
- B. Financing Availability. OBDD's obligation to make, and Recipient's right to request, disbursements under this Contract terminates on the Project Closeout Deadline.
- C. Payment to Contractors. OBDD, in its sole discretion, may make direct payment to suppliers, contractors and subcontractors and others for sums due them in connection with construction of the Project, instead of reimbursing Recipient for those sums.

SECTION 4 - LOAN PAYMENT; PREPAYMENT

- A. Promise to Pay. Recipient shall repay the Loan and all amounts due under this Contract in accordance with its terms. Payments required under this Contract are, without limitation, payable from the sources of repayment described in the Act and this Contract, including but not limited to Exhibit B, and the obligation of Recipient to make all payments is absolute and unconditional. Payments will not be abated, rebated, set-off, reduced, abrogated, terminated, waived, postponed or otherwise modified in any manner whatsoever. Payments cannot remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of purpose, any change in the laws, rules or regulations of the United States of America or of the State of Oregon or any political subdivision or governmental authority, nor any failure of OBDD to perform any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the Project or this Contract, or any rights of set off, recoupment, abatement or counterclaim that Recipient might otherwise have against OBDD or any other party or parties; provided further, that payments hereunder will not constitute a waiver of any such rights.
- B. Interest. Interest accrues at the Interest Rate on each disbursement from the date of disbursement until the Loan is fully paid. All unpaid interest accrued to the Repayment Commencement Date is (in addition to the first regular installment payment due) payable on the Repayment Commencement Date. Interest is computed by counting the actual days occurring in a 360-day year.

Recipient authorizes OBDD to calculate accrued interest as necessary under this Contract, including for purposes of determining a loan amortization schedule or determining the amount of a loan prepayment or loan payoff. Absent manifest error, such calculations will be conclusive.
- C. Loan Payments. Starting on the Repayment Commencement Date and then on each succeeding Payment Date, Recipient shall make level installment payments of principal and interest, each payment sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date, on which date the entire outstanding balance of the Loan is due and payable in full.
- D. Loan Prepayments.
 - (1) Mandatory Prepayment. Recipient shall prepay all or part of the outstanding balance of the Loan as required by this Contract.

- (2) Optional Prepayment. Recipient may prepay all or part of the outstanding balance of the Loan on any day except a Saturday, Sunday, legal holiday or day that banking institutions in Salem, Oregon are closed.
- E. Application of Payments. Regardless of any designation by Recipient, payments and prepayments by Recipient under this Contract or any of the Financing Documents will be applied first to any expenses of OBDD, including but not limited to attorneys' fees, then to unpaid accrued interest (in the case of prepayment, on the amount prepaid), then to the principal of the Loan. In the case of a Loan prepayment that does not prepay all the principal of the Loan, OBDD will determine, in its sole discretion, the method for how the Loan prepayment will be applied to the outstanding principal payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received.

SECTION 5 - CONDITIONS PRECEDENT

- A. Conditions Precedent to OBDD's Obligations. OBDD's obligations are subject to the receipt of the following items, in form and substance satisfactory to OBDD and its Counsel:
- (1) This Contract duly signed by an authorized officer of Recipient.
 - (2) A copy of the ordinance, order or resolution of the governing body of Recipient authorizing the borrowing and the contemplated transactions and the execution and delivery of this Contract and the other Financing Documents.
 - (3) An opinion of Recipient's Counsel.
 - (4) Such other certificates, documents, opinions and information as OBDD may reasonably require.
- B. Conditions to Disbursements. As to any disbursement, OBDD has no obligation to disburse funds unless all following conditions are met:
- (1) There is no Event of Default.
 - (2) The representations and warranties made in this Contract are true and correct on the date of disbursement as if made on such date.
 - (3) OBDD, in the reasonable exercise of its administrative discretion, has sufficient moneys in the Special Public Works Fund for use in the Project and has sufficient funding, appropriations, limitations, allotments and other expenditure authority to make the disbursement.
 - (4) OBDD (a) has received a completed Disbursement Request, (b) has received any written evidence of materials and labor furnished to or work performed upon the Project, itemized receipts or invoices for payment, and releases, satisfactions or other signed statements or forms as OBDD may require, (c) is satisfied that all items listed in the Disbursement Request are reasonable and that the costs for labor and materials were incurred and are properly included in the Costs of the Project, and (d) has determined that the disbursement is only for costs defined as eligible costs under the Act and any implementing administrative rules and policies.
 - (5) Recipient has delivered documentation satisfactory to OBDD that, in addition to the Financing Proceeds, Recipient has available or has obtained binding commitments for all funds necessary to complete the Project.
 - (6) Recipient has delivered to OBDD (in form and substance satisfactory to OBDD) an estimated schedule of Disbursement Requests for Project design, including anticipated number,

submission dates, and amounts and, prior to the beginning of Project construction, an estimated schedule of Disbursement Requests for construction, including anticipated number, submission dates, and amounts.

- (7) Any conditions to disbursement elsewhere in this Contract or in the other Financing Documents are met.

SECTION 6 - USE OF FINANCIAL ASSISTANCE

- A. Use of Proceeds. Recipient shall use the Financing Proceeds only for the activities described in Exhibit C and according to the budget in Exhibit D. Recipient may not transfer Financing Proceeds among line items in the budget without the prior written consent of OBDD.
- B. Costs of the Project. Recipient shall apply the Financing Proceeds to the Costs of the Project in accordance with the Act and Oregon law, as applicable. Financing Proceeds cannot be used for costs in excess of one hundred percent (100%) of the total Costs of the Project and cannot be used for pre-Award Costs of the Project, unless permitted by Exhibit C.
- C. Costs Paid for by Others. Recipient may not use any of the Financing Proceeds to cover costs to be paid for by other financing for the Project, whether from OBDD or from another State of Oregon agency or any third party.
- D. Misexpended or Unexpended Financing Proceeds. Any Financing Proceeds funds disbursed to Recipient, or any interest earned by Recipient on the Financing Proceeds funds, that is not used according to this Contract or that remain unexpended after the earlier of the Project Completion Deadline, the date the Project is completed, or the date that this Contract is terminated shall be immediately returned to OBDD, unless otherwise directed by OBDD in writing.

SECTION 7 - REPRESENTATIONS AND WARRANTIES OF RECIPIENT

Recipient represents and warrants to OBDD:

- A. Estimated Project Cost, Funds for Repayment. A reasonable estimate of the Costs of the Project is shown in section 1, and the Project is fully funded. Recipient will have adequate funds available to repay the Loan, and the Maturity Date does not exceed the usable life of the Project.
- B. Organization and Authority.
- (1) Recipient is a Municipality under the Act, and validly organized and existing under the laws of the State of Oregon.
 - (2) Recipient has all necessary right, power and authority under its organizational documents and under Oregon law to (a) execute and deliver this Contract and the other Financing Documents, (b) incur and perform its obligations under this Contract and the other Financing Documents, and (c) borrow and receive financing for the Project.
 - (3) This Contract and the other Financing Documents executed and delivered by Recipient have been authorized by an ordinance, order or resolution of Recipient's governing body, and voter approval, if necessary, that was adopted in accordance with applicable law and requirements for filing public notices and holding public meetings.
 - (4) This Contract and the other Financing Documents have been duly executed by Recipient, and when executed by OBDD, are legal, valid and binding, and enforceable in accordance with their terms.

- C. Full Disclosure. Recipient has disclosed in writing to OBDD all facts that materially adversely affect the Project, or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents. Recipient has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading. The information contained in this Contract and the other Financing Documents is true and accurate in all respects.
- D. Pending Litigation. Recipient has disclosed in writing to OBDD all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents.
- E. No Events of Default.
- (1) No Events of Default exist or occur upon authorization, execution or delivery of this Contract or any of the Financing Documents.
 - (2) Recipient has not violated, and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents.
- F. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Contract and the other Financing Documents will not: (i) cause a breach of any agreement, indenture, mortgage, deed of trust, or other instrument, to which Recipient is a party or by which the Project or any of its property or assets may be bound; (ii) cause the creation or imposition of any third party lien, charge or encumbrance upon any property or asset of Recipient; (iii) violate any provision of the charter or other document pursuant to which Recipient was organized or established; or (iv) violate any laws, regulations, ordinances, resolutions, or court orders related to Recipient, the Project or its properties or operations.
- G. Governmental Consent. Recipient has obtained or will obtain all permits and approvals, and has made or will make all notifications, declarations, filings or registrations, required for the making and performance of its obligations under this Contract and the other Financing Documents, for the financing or refinancing and undertaking and completion of the Project.

SECTION 8 - COVENANTS OF RECIPIENT

Recipient covenants as follows:

- A. Notice of Adverse Change. Recipient shall promptly notify OBDD of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient or the Project related to the ability of Recipient to make all payments and perform all obligations required by this Contract or the other Financing Documents.
- B. Compliance with Laws. Recipient shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this Contract or the other Financing Documents, that relate to the Project, or that relate to the operation of the System of which the Project is a component. In particular, but without limitation, Recipient shall comply with the following, as applicable:

- (1) State procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C.
- (2) Prevailing Wage Requirements.
 - (a) Recipient shall comply with state prevailing wage law as set forth in ORS 279C.800 through 279C.870, and the administrative rules promulgated thereunder (OAR Chapter 839, Division 25) (collectively, state “PWR”). This includes but is not limited to imposing an obligation that when PWR applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage for workers in each trade or occupation in each locality as determined by the Commissioner of the Bureau of Labor and Industries (“BOLI”) under ORS 279C.815.
 - (b) When the federal Davis-Bacon Act applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage as determined by the United States Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*).
 - (c) Notwithstanding (2)(a) and (2)(b) above, when both PWR and the federal Davis-Bacon Act apply to the Project, contractors and subcontractors on the Project must pay a rate of wage that meets or exceeds the greater of the rate provided in (2)(a) or (2)(b) above.
 - (d) When PWR applies, Recipient and its contractors and subcontractors shall not contract with any contractor on BOLI’s current List of Contractors Ineligible to Receive Public Works Contracts.
 - (e) When PWR applies, Recipient shall be responsible for both providing the notice to the BOLI Commissioner required by ORS 279C.835 and the payment of any prevailing wage fee(s) required under ORS 279C.825 and BOLI’s rules, including OAR 839-025-0200 to OAR 839-025-0230. For avoidance of any doubt, Recipient contractually agrees to pay applicable prevailing wage fees for the Project rather than OBDD, the public agency providing Financing Proceeds under this Contract.
 - (f) Pursuant to ORS 279C.817, Recipient and any contractors or subcontractors may request that the BOLI Commissioner make a determination about whether the Project is a public works on which payment of the prevailing rate of wage is required under ORS 279C.840 (i.e. whether PWR applies).
- (3) OAR 123-042-0165 (5) requirements for signs and notifications.

These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.

C. Project Completion Obligations. Recipient shall:

- (1) When procuring professional consulting services, provide OBDD with copies of all solicitations at least 10 days before advertising, and all contracts at least 10 days before signing.
- (2) Provide OBDD with copies of all plans and specifications relating to the Project, and a timeline for the bidding/award process, at least ten (10) days before advertising for bids.
- (3) Provide a copy of the bid tabulation, notice of award, and contract to OBDD within ten (10) days after selecting a construction contractor.
- (4) Permit OBDD to conduct inspection of the Project at any time.

- (5) Complete the Project using its own fiscal resources or money from other sources to pay for any Costs of the Project in excess of the total amount of financial assistance provided pursuant to this Contract.
 - (6) Complete the Project no later than the Project Completion Deadline, unless otherwise permitted by OBDD in writing.
 - (7) Obtain and maintain as-built drawings for all facilities constructed as part of the Project.
- D. Ownership of Project. During the term of the Loan, the Project is and will continue to be owned by Recipient. The Project will be operated by Recipient or by a person under a management contract or operating agreement with Recipient.
- E. Operation and Maintenance of the Project. Recipient shall operate and maintain the Project in good repair and operating condition so as to preserve the long-term public benefits of the Project, including making all necessary and proper repairs, replacements, additions, and improvements during term of the Loan. On or before the Project Closeout Deadline, Recipient shall adopt a plan acceptable to OBDD for the on-going operation and maintenance of the Project without reliance on OBDD financing and furnish OBDD, at its request, with evidence of such adoption. The plan must include measures for generating revenues sufficient to assure the operation and maintenance of the Project during the usable life of the Project.
- F. Insurance, Damage. Recipient shall maintain, or cause to be maintained, insurance policies with responsible insurers or self-insurance programs, insuring against liability and risk of direct physical loss, damage or destruction of the Project, at least to the extent that similar insurance is customarily carried by governmental units constructing, operating and maintaining similar facilities. Nothing in this provision precludes Recipient from asserting a defense against any party other than OBDD, including a defense of immunity. If the Project or any portion is destroyed, any insurance proceeds will be paid to OBDD and applied to prepay the outstanding balance on the Loan in accordance with section 4.D.(1), unless OBDD agrees in writing that the insurance proceeds may be used to rebuild the Project.
- G. Sales, Leases and Encumbrances. Except as specifically described in Exhibit C, Recipient shall not sell, lease, exchange, abandon, transfer or otherwise dispose of any substantial portion of or interest in the Project or any system that provides revenues for payment or is security for the Loan, unless worn out, obsolete, or, in the reasonable business judgment of Recipient, no longer useful in the operation of the Project. Nevertheless, OBDD may consent to such disposition if it has received 90 days' prior written notice from Recipient. Such consent may require assumption by transferee of all of Recipient's obligations under the Financing Documents and payment of OBDD's costs related to such assumption. In the case of sale, exchange, transfer or other similar disposition, Recipient shall, within 30 days of receipt of any proceeds from such disposition, prepay the entire outstanding balance on the Loan in accordance with section 4.D.(1), unless OBDD agrees otherwise in writing. If Recipient abandons the Project, Recipient shall prepay the entire outstanding balance of the Loan immediately upon demand by OBDD.
- H. Condemnation Proceeds. If the Project or any portion is condemned, any condemnation proceeds will be paid to OBDD and applied to prepay the outstanding balance of the Loan in accordance with section 4.D.(1).
- I. Financial Records. Recipient shall keep accurate books and records for the revenues and funds that are the source of repayment of the Loan, separate and distinct from its other books and records, and maintain them according to generally accepted accounting principles established by the Government

Accounting Standards Board in effect at the time. Recipient shall have these records audited annually by an independent certified public accountant, which may be part of the annual audit of all records of Recipient.

- J. Inspections; Information. Recipient shall permit OBDD and any party designated by OBDD: (i) to inspect, at any reasonable time, the property, if any, constituting the Project; and (ii) at any reasonable time, to inspect and make copies of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, contracts, investments and any other related matters, and financial statements or other documents related to its financial standing. Recipient shall supply any related reports and information as OBDD may reasonably require. In addition, Recipient shall, upon request, provide OBDD with copies of loan documents or other financing documents and any official statements or other forms of offering prospectus relating to any other bonds, notes or other indebtedness of Recipient that are issued after the date of this Contract.
- K. Records Maintenance. Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Contract, the Project, or the Grant until the date that is three years following the later of the final maturity or earlier retirement of all of the Bonds (including the final maturity or redemption date of any obligations issued to refund the Bonds) or such longer period as may be required by other provisions of this Contract or applicable law. If there are unresolved issues at the end of such period, Recipient shall retain the books, documents, papers and records until the issues are resolved.
- L. Economic Benefit Data. OBDD may require Recipient to submit specific data on the economic development benefits of the Project and other information to evaluate the success and economic impact of the Project, from the date of this Contract until six years after the Project Completion Date. Recipient shall, at its own expense, prepare and submit the data within the time specified by OBDD.
- M. Disadvantaged Business Enterprises. ORS 200.090 requires all public agencies to “aggressively pursue a policy of providing opportunities for disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, veteran-owned businesses and emerging small businesses...” OBDD encourages Recipient in any contracting activity to follow good faith efforts as described in ORS 200.045, available at https://www.oregonlegislature.gov/bills_laws/ors/ors200.html. Additional resources are provided by the Governor’s Policy Advisor for Economic and Business Equity. Also, the Certification Office for Business Inclusion and Diversity at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <https://oregon4biz.diversitysoftware.com/FrontEnd/SearchCertifiedDirectory.asp?XID=2315&TN=oregon4biz>
- N. Professional Responsibility. A professional engineer or architect, as applicable, registered and in good standing in Oregon, will be responsible for the design and construction of the Project. All service providers retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty. Recipient shall follow standard construction practices, such as bonding requirements for construction contractors, requiring errors and omissions insurance, and performing testing and inspections during construction.
- O. Notice of Event of Default. Recipient shall give OBDD prompt written notice of any Event of Default, or any circumstance that with notice or the lapse of time, or both, may become an Event of Default, as soon as Recipient becomes aware of its existence or reasonably believes an Event of Default is likely.

P. (1) Contributory Liability and Contractor Indemnification—Tort Claims.

- (a) If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 (“Third-Party Tort Claim”) against a party to this Contract (the “Notified Party”) with respect to which the other party may have liability, the Notified Party must promptly notify the other party in writing and deliver a copy of the claim, process, and all legal pleadings related to the Third-Party Tort Claim. Either party is entitled to participate in the defense of a Third-Party Tort Claim, and to defend a Third-Party Tort Claim with counsel of its own choosing. The foregoing provisions are conditions precedent for either party’s liability to the other in regards to the Third-Party Tort Claim.

If the parties are jointly liable (or would be if joined in the Third-Party Tort Claim), the parties shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable in such proportion as is appropriate to reflect their respective relative fault. The relative fault of the parties shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Each party’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if that party had sole liability in the proceeding. This Section shall survive termination of this Contract.

- (b) Recipient shall take all reasonable steps to require its contractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon and its officers, employees and agents (“Indemnatee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys’ fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Recipient’s contractor or any of the officers, agents, employees or subcontractors of the contractor (“Contractor Tort Claims”). It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Contractor Tort Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by the contractor from and against any and all Contractor Tort Claims. This Section shall survive termination of this Contract.

(1) Indemnity; Release—Claims Other Than Torts.

- (a) Except for Third-Party Tort Claims and Contractor Tort Claims as provided in Section 8P.(1) above, to the extent authorized by law, Recipient shall defend, indemnify, save and hold harmless and release the State, OBDD, and their officers, employees and agents from and against any and all claims, demands, suits, actions, proceedings, losses, damages, liability and court awards including but not limited to costs, expenses, and reasonable attorneys’ fees incurred (collectively, “Non-Tort Claims”), related to any actual or alleged act or omission by Recipient, or its officers, employees, contractors, or agents in connection with this Contract, or the Project, PWR, or Davis-Bacon Act requirements, including without limitation, any expenses incurred or amounts paid in connection with an inquiry, investigation, audit or similar proceeding by BOLI, the U.S. Department of Labor, the Internal Revenue Service, Treasury, and any other federal, state, governmental, or quasi-governmental body with regulatory jurisdiction arising from the Project or the actions or omissions of Recipient, or its officers, employees, contractors, or agents.
- (b) Notwithstanding the foregoing, neither Recipient nor any attorney engaged by Recipient may defend any Non-Tort Claim in the name of the State of Oregon, nor purport to act as legal

representative for the State of Oregon, without first receiving from the Oregon Attorney General in a form and manner determined appropriate by the Oregon Attorney General, authority to act as legal counsel for the State of Oregon, nor may Recipient settle any Non-Tort Claim on behalf of the State of Oregon without the approval of the Oregon Attorney General. If the State of Oregon assumes its own defense, Recipient will be liable for the attorney fees of the State of Oregon, including but not limited to any fees charged by the Oregon Department of Justice. The provisions of this section are not to be construed as a waiver by the State of Oregon, OBDD, of any immunity, defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon. If attorney fees are awarded to Recipient, such attorney fees shall not exceed the rate charged to OBDD by its attorneys.

- Q. Further Assurances. Recipient shall, at the request of OBDD, authorize, sign, acknowledge and deliver any further resolutions, conveyances, transfers, assurances, financing statements and other instruments and documents as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Contract and the other Financing Documents.

SECTION 9 - DEFAULTS

Any of the following constitutes an “Event of Default”:

- A. Recipient fails to make any Loan payment when due.
- B. Recipient fails to make, or cause to be made, any required payments of principal, redemption premium, or interest on any bonds, notes or other material obligations, for any other loan made by the State of Oregon.
- C. Any false or misleading representation is made by or on behalf of Recipient in this Contract, in any other Financing Document or in any document provided by Recipient related to this Loan or the Project.
- D. (1) A petition, proceeding or case is filed by or against Recipient under any federal or state bankruptcy or insolvency law, and in the case of a petition filed against Recipient, Recipient acquiesces to such petition or such petition is not dismissed within 20 calendar days after such filing, or such dismissal is not final or is subject to appeal;
(2) Recipient files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, winding-up or composition or adjustment of debts;
(3) Recipient becomes insolvent or bankrupt or admits its inability to pay its debts as they become due, or makes an assignment for the benefit of its creditors;
(4) Recipient applies for or consents to the appointment of, or taking of possession by, a custodian (including, without limitation, a receiver, liquidator or trustee) of Recipient or any substantial portion of its property; or
(5) Recipient takes any action for the purpose of effecting any of the above.
- E. Recipient defaults under any other Financing Document and fails to cure such default within the applicable grace period.
- F. Recipient fails to perform any obligation required under this Contract, other than those referred to in subsections A through E of this section 9, and that failure continues for a period of 30 calendar days

after written notice specifying such failure is given to Recipient by OBDD. OBDD may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action.

SECTION 10 - REMEDIES

- A. Remedies. Upon any Event of Default, OBDD may pursue any or all remedies in this Contract or any other Financing Document, and any other remedies available at law or in equity to collect amounts due or to become due or to enforce the performance of any obligation of Recipient. Remedies may include, but are not limited to:
- (1) Terminating OBDD's commitment and obligation to make any further disbursements of Financing Proceeds under the Contract.
 - (2) Declaring all payments under the Contract and all other amounts due under any of the Financing Documents immediately due and payable, and upon notice to Recipient the same become due and payable without further notice or demand.
 - (3) Barring Recipient from receiving future awards.
 - (4) Withholding amounts otherwise due to Recipient for application to the payment of amounts due under this Contract, including as provided in ORS 285B.449.
 - (5) Foreclosing liens or security interests pursuant to this Contract or any other Financing Document.
 - (6) Terminating the Contract.
- B. Application of Moneys. Any moneys collected by OBDD pursuant to section 10.A will be applied first, to pay any attorneys' fees and other fees and expenses incurred by OBDD; then, to pay interest due on the Loan; then, to pay principal due on the Loan; and last, to pay any other amounts due and payable under this Contract or any of the Financing Documents.
- C. No Remedy Exclusive; Waiver; Notice. No remedy available to OBDD is intended to be exclusive, and every remedy will be in addition to every other remedy. No delay or omission to exercise any right or remedy will impair or is to be construed as a waiver of such right or remedy. No single or partial exercise of any right power or privilege under this Contract or any of the Financing Documents will preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. OBDD is not required to provide any notice in order to exercise any right or remedy, other than notice required in section 9 of this Contract.
- D. Default by OBDD. In the event OBDD defaults on any obligation in this Contract, Recipient's sole remedy will be for disbursement of the Financing Proceeds for Costs of the Project, not to exceed the Loan amount, less any claims OBDD has against Recipient.

SECTION 11 - MISCELLANEOUS

- A. Time is of the Essence. Recipient agrees that time is of the essence under this Contract and the other Financing Documents.
- B. Relationship of Parties; Successors and Assigns; No Third Party Beneficiaries.
- (1) The parties agree that their relationship is that of independent contracting parties and that Recipient is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265.

- (2) Nothing in this Contract gives, or is to be construed to give, directly or indirectly, to any third persons any rights and benefits greater than those enjoyed by the general public.
- (3) This Contract will be binding upon and inure to the benefit of OBDD, Recipient, and their respective successors and permitted assigns.
- (4) Recipient may not assign or transfer any of its rights or obligations or any interest in this Contract or any other Financing Document without the prior written consent of OBDD. OBDD may grant, withhold or impose conditions on such consent in its sole discretion. In the event of an assignment, Recipient shall pay, or cause to be paid to OBDD, any fees or costs incurred because of such assignment, including but not limited to attorneys' fees of OBDD's Counsel. Any approved assignment is not to be construed as creating any obligation of OBDD beyond those in this Contract or other Financing Documents, nor does assignment relieve Recipient of any of its duties or obligations under this Contract or any other Financing Documents.
- (5) Recipient hereby approves and consents to any assignment, sale or transfer of this Contract and the Financing Documents that OBDD deems to be necessary.

C. Disclaimer of Warranties; Limitation of Liability. Recipient agrees that:

- (1) OBDD makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Project or any portion of the Project, or any other warranty or representation.
- (2) The liability of OBDD under this Contract is contingent upon the availability of moneys in the Special Public Work Fund for use in the project, and in no event are OBDD or its agents liable or responsible for any direct, indirect, incidental, special, consequential or punitive damages in connection with or arising out of this Contract or the existence, furnishing, functioning or use of the Project.

D. Notices and Communication. Except as otherwise expressly provided in this Contract, any communication between the parties or notices required or permitted must be given in writing by personal delivery, email, or by mailing the same, postage prepaid, to Recipient or OBDD at the addresses set forth below, or to such other persons or addresses that either party may subsequently indicate pursuant to this Section.

Any communication or notice by personal delivery will be deemed effective when actually delivered to the addressee. Any communication or notice so addressed and mailed will be deemed to be received and effective five (5) days after mailing. Any communication or notice given by email becomes effective 1) upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system or 2) the recipient's confirmation of receipt, whichever is earlier. Notwithstanding this provision, the following notices may not be given by email: notice of default or notice of termination.

If to OBDD: Deputy Director
Oregon Business Development Department
775 Summer Street NE Suite 310
Salem, OR 97301-1280

If to Recipient: Fire Chief
Cannon Beach Rural Fire Protection District
188 Sunset Boulevard,
Cannon Beach, OR 97110

E. No Construction against Drafter. This Contract is to be construed as if the parties drafted it jointly.

- F. Severability. If any term or condition of this Contract is declared by a court of competent jurisdiction as illegal, invalid or unenforceable, that holding will not invalidate or otherwise affect any other provision.
- G. Amendments, Waivers. This Contract may not be amended without the prior written consent of OBDD (and when required, the Department of Justice) and Recipient. This Contract may not be amended in a manner that is not in compliance with the Act. No waiver or consent is effective unless in writing and executed by the party against whom such waiver or consent is sought to be enforced. Such waiver or consent will be effective only in the specific instance and for the specific purpose given.
- H. Attorneys' Fees and Other Expenses. To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Contract is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to OBDD by its attorneys. Recipient shall, on demand, pay to OBDD reasonable expenses incurred by OBDD in the collection of Loan payments.
- I. Choice of Law; Designation of Forum; Federal Forum. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Contract, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

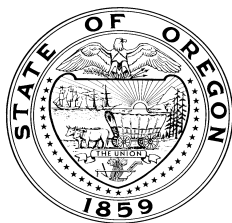
Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

- J. Integration. This Contract (including all exhibits, schedules or attachments) and the other Financing Documents constitute the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Contract.
- K. Execution in Counterparts. This Contract may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

SIGNATURES TO FOLLOW BELOW

Recipient, by its signature below, acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through its
Oregon Business Development Department



CANNON BEACH RURAL FIRE PROTECTION DISTRICT

By: _____
Edward Tabor, Infrastructure &
Program Services Director

By: _____
Robert Heymann, Board Chair

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

/s/ David Berryman as per email dated 28 May 2026
David Berryman, Assistant Attorney General

EXHIBIT A - GENERAL DEFINITIONS

As used in this Contract, the following terms have the meanings below.

“Act” means ORS 285B.410 through 285B.482, as amended.

“Award” means the award of financial assistance to Recipient by OBDD dated 28 April 2026.

“Costs of the Project” means Recipient’s actual costs (including any financing costs properly allocable to the Project) that are (a) reasonable, necessary and directly related to the Project, (b) permitted by generally accepted accounting principles to be Costs of the Project, and (c) are eligible or permitted uses of the Financing Proceeds under applicable state or federal statute and rule.

“Counsel” means an attorney at law or firm of attorneys at law duly admitted to practice law before the highest court of any state, who may be of counsel to, or an employee of, OBDD or Recipient.

“Financing Documents” means this Contract and all agreements, instruments, documents and certificates executed pursuant to or in connection with OBDD’s financing of the Project.

“Financing Proceeds” means the proceeds of the Loan.

“Lottery Bonds” means any bonds issued by the State of Oregon that are special obligations of the State of Oregon, payable from unobligated net lottery proceeds, together with any refunding bonds, used to finance or refinance the Project through the initial funding or refinancing of all or a portion of the Loan.

“Municipality” means any entity described in ORS 285B.410(9).

“ORS” means the Oregon Revised Statutes.

“Project Completion Date” means the date on which Recipient actually completes the Project.

EXHIBIT B – LOAN SECURITY

- A. Full Faith and Credit Pledge. Recipient pledges its full faith and credit and taxing power within the limitations of Article XI, sections 11 and 11 b, of the Oregon Constitution to pay the amounts due under this Contract. This Contract is payable from and secured by all lawfully available funds of Recipient.
- B. Pledge of Net Revenues of the System
- (1) All payment obligations under this Contract and the other Financing Documents are payable from the revenues of Recipient's System after payment of operation and maintenance costs of the System ("Net Revenues"). Recipient irrevocably pledges and grants to OBDD a security interest in the Net Revenues to pay all of its obligations under this Contract and the other Financing Documents. The Net Revenues pledged pursuant to the preceding sentence and received by Recipient will immediately be subject to the lien of this pledge without physical delivery, filing or any other act, and the lien of this pledge is superior to and has priority over all other claims and liens, except as provided in subsections 2 and 3 of this section B, to the fullest extent permitted by ORS 287A.310. Recipient represents and warrants that this pledge of Net Revenues complies with, and is valid and binding from the date of this Contract as described in, ORS 287A.310. The lien of the pledge made under this subsection 1 is hereinafter referred to as the "OBDD Lien".
 - (2) Recipient shall not incur, without the prior written consent of OBDD, any obligation payable from or secured by a lien on and pledge of the Net Revenues that is on parity or superior to the OBDD Lien.
 - (3) Notwithstanding the requirements of subsection 2 of this section B, loans previously made and loans made in the future by OBDD to Recipient that are secured by the Net Revenues may have a lien on such Net Revenues on parity with the OBDD Lien; provided that nothing in this paragraph will adversely affect the priority of any of OBDD's liens on such Net Revenues in relation to the lien(s) of any third party(ies).
 - (4) Recipient shall charge rates and fees in connection with the operation of the System which, when combined with other gross revenues, are adequate to generate Net Revenues each fiscal year at least equal to 120% of the annual debt service due in the fiscal year on the Loan and any outstanding obligation payable from or secured by a lien on and pledge of Net Revenues that is on parity with the OBDD Lien.
 - (5) Recipient may establish a debt service reserve fund to secure repayment of obligations that are payable from or secured by a lien on and pledge of Net Revenues that is on parity with the OBDD Lien, provided that no deposit of the Net Revenues of the System into the debt service reserve fund is permitted until provision is made for the payment of all debt service on the Loan and any other obligations payable from or secured by a lien on and pledge of Net Revenues that is on parity with the OBDD Lien (including any obligations described in subsection 3 above) for the 12-month period after such deposit.

EXHIBIT C - PROJECT DESCRIPTION

Recipient will hire an Oregon licensed engineer to complete designs for the additions to the Arch Cape Station, located at 79729 Hwy 101, Arch Cape, Oregon.

Recipient will hire an Oregon licensed contractor to construct approximately 2400 square feet living quarters, that will include dormitories, a kitchen, and living area that will be located on the south side of

the Arch Cape Station. In addition, a 30-foot by 50-foot pole barn will be constructed at the northwest corner of the property for equipment storage.

EXHIBIT D - PROJECT BUDGET

Line Item Activity	OBDD Funds	Other / Matching Funds
Design / Engineering	\$250,000	\$0
Construction	\$1,080,000	\$0
Construction Contingency	\$150,000	\$0
Permitting & Regulatory Fees	\$20,000	\$0
Total	\$1,500,000	\$0

Cannon Beach Rural Fire Protection District

Resolution 26-05

AUTHORIZING A LOAN FROM THE SPECIAL PUBLIC WORKS FUND

BY ENTERING INTO A FINANCING CONTRACT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

The Board of Directors (“Governing Body”) for the Cannon Beach Rural Fire Protection District (“Recipient”) finds:

- A. Recipient is a “municipality” within the meaning of Oregon Revised Statutes 285B.410(9).
- B. Oregon Revised Statutes 285B.410 through 285B.482 (the “Act”) authorize any municipality to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department (“OBDD”) to obtain financial assistance from the Special Public Works Fund.
- C. Recipient has filed an application with OBDD to obtain financial assistance for a “development project” within the meaning of the Act.
- D. OBDD has approved Recipient’s application for financial assistance from the Special Public Works Fund pursuant to the Act.
- E. Recipient is required, as a prerequisite to the receipt of financial assistance from OBDD, to enter into a Financing Contract with OBDD, number L26008, substantially in the form attached hereto as Exhibit 1. The project is described in Exhibit C to that Financing Contract (the “Project”).
- F. Notice relating to Recipient’s consideration of the adoption of this Resolution was published in full accordance with Recipient’s charter and laws for public notification.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of Recipient as follows:

1. Financing Loan Authorized. The Governing Body authorizes Recipient’s Board President (the “Authorized Officer”) to execute on behalf of Recipient the Financing Contract and such other documents as may be required to obtain financial assistance (the “Financing Documents”), including a loan from OBDD, on such terms as may be agreed upon between the Authorized Officer and OBDD, on the condition that the principal amount of the loan from OBDD to Recipient is not in excess of \$1,500,000 and an interest rate of 5.22% per annum a percent deemed reasonable by the Authorized Officer and in the best interest of Recipient. The proceeds of the loan from OBDD will be applied solely to the “Costs of the Project” as such term is defined in the Financing Contract.

2. Sources of Repayment. Amounts payable by Recipient are payable from the sources described in section 4 of the Financing Contract and the Oregon Revised Statutes Section 285B.437(3) which include:

- (a) The revenues of the project, including special assessment revenues;
- (b) Amounts withheld under ORS 285B.449 (1);
- (c) The general fund of Recipient; or
- (d) Any other source.

Tax-Exempt Status. Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by Recipient pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. Recipient may enter into covenants to protect the tax-exempt status of the interest paid by Recipient pursuant to the Financing Documents and may execute any Tax Certificate, Internal

Revenue Service forms or other documents as may be required by OBDD or its bond counsel to protect the tax-exempt status of such interest.

Reimbursement Bonds. Recipient may make certain expenditures on the Project prior to the date the Financing Contract is executed with OBDD or the date the State of Oregon issues any bonds to fund the loan. Recipient hereby declares its intent to seek reimbursement of such expenditures with amounts received from OBDD pursuant to the Financing Contract, but only as permitted by OBDD policy, the Financing Contract, and federal tax regulations. Additionally, Recipient understands that OBDD may fund or reimburse itself for the funding of amounts paid to Recipient pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This resolution constitutes “official intent” within the meaning of 26 C.F.R. §1.150-2 of the income tax regulations promulgated by the United States Department of the Treasury.

DATED this 20th day of July, 2026.

Cannon Beach Rural Fire Protection District

Board President

ATTEST:

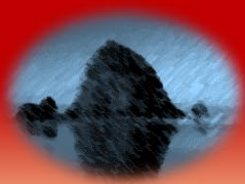
Board Secretary



Cannon Beach

Rural Fire Protection District

188 SUNSET BLVD · PO BOX 24 · CANNON BEACH OR 97110
(503) 436-2949 · EMERGENCY DIAL 9-1-1



STAFF REPORT

Surplus old siren speakers

Agenda Date: 7-20-26

Prepared by: Marc Reckmann, Fire Chief

BACKGROUND

There are old siren and siren cabinets at Arch Cape. They are old technology and do not work with the new system, they were left over from the sirens being installed many years ago and have never been upgraded.

Strategies:

Would like to declare them as surplus and dispose of them. They are of little to no value. Will likely post them on GovDeals public auction like we do everything else. Because they were listed on our asset inventory sheet we must declare them as surplus

Recommendation:

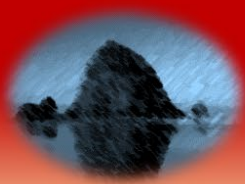
Declare the sirens as surplus and allow staff to dispose.



Cannon Beach

Rural Fire Protection District

188 SUNSET BLVD · PO BOX 24 · CANNON BEACH OR 97110
(503) 436-2949 · EMERGENCY DIAL 9-1-1



STAFF REPORT

Tourism Funds for Lifeguard towers

Agenda Date: 7-20-26

Prepared by: Marc Reckmann, Fire Chief

BACKGROUND

The City of Cannon Beach pledged \$60,000 to the Lifeguard tower replacement. The bulk of the money was already ran through the association. It was thought that this money would as well. I learned last week because the District made the application to the City of Cannon Beach, that the money would come to the District.

Strategies:

Due to this being unexpected funds, Resolution 26-06 increases the Capital fund revenue and expenses by \$60,000 to account for this revenue and expense.

Recommendation:

Approve Resolution 26-06



CANNON BEACH RURAL PROTECTION FIRE DISTRICT

RESOLUTION NO. 26-06

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR FISCAL YEAR
2026-27**

WHEREAS, the City of Cannon Beach Tourism Arts Commission (TAC) has unexpectedly presented the District with \$60,000 to be used for District lifeguard towers; and

WHEREAS, ORS 294.471 authorizes a supplemental budget to be prepared if unexpected funds are made available by another unit of federal, state or local government; and

WHEREAS, ORS 294.471(3) authorizes a supplemental budget to be adopted by the Board without notice or a public hearing when the proposed supplemental budget will not adjust any fund's expenditures by more than 10 percent; and

WHEREAS, the Capital Fund must be adjusted to account for the unexpected revenue and to appropriate additional spending authority in the amount of \$60,000.00.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors for Cannon Beach Rural Protection Fire District hereby adopts a supplemental budget for the 2026-27 fiscal year which increases the appropriations in the Capital Fund by \$60,000.00, from \$3,262,761 to \$3,322,761. The full budget document is on file at 188 Sunset Blvd, Cannon Beach, Oregon.

BE IT FURTHER RESOLVED that this resolution will take effect immediately upon adoption by the Board of Directors.

Adopted by the Cannon Beach Rural Protection Fire District's Board of Directors on this 20 day of July, 2026.

APPROVED BY:

President

ATTEST:

Secretary