



**City of Sutherlin
Regular Council Meeting
Monday, November 14, 2016
Civic Auditorium – 7:00 p.m.
AGENDA**

Mayor Todd McKnight
Council President Stone
Councilors, Anderson, Boggs, Egbert, Luzier, and Meier

1. CALL TO ORDER / FLAG SALUTE

2. ROLL CALL

3. INTRODUCTION OF MEDIA

4. PUBLIC COMMENT

[The purpose of citizen comment is to allow citizens to present information regarding agenda items only. A time limit of three minutes per citizen shall apply.]

5. PRESENTATIONS

- a. Audit Report
- b. First Responders of Douglas County Critical Incident Award

6. COUNCIL BUSINESS

- a. Library Use Discussion

7. CONSENT AGENDA

- a. October 24, 2016 Minutes – Regular Meeting

8. ACTION ITEMS / GENERAL BUSINESS

- a. Vehicle Purchase Approval – Police Department
- b. Ordinance – Vacant Residential Property Registration (first reading, title only)

9. REPORTS

10. DEPARTMENT HEAD UPDATES

11. CITY COUNCIL COMMENTS

12. PUBLIC COMMENT

[The purpose of citizen comment is to allow citizens to present information regarding items off the agenda. A time limit of three minutes per citizen shall apply.]

13. ADJOURN

EXECUTIVE SESSION

ORS 192.660(2) (d) – Labor negotiator Consultations

Members of the audience who wish to address the Council will be invited to do so. Speakers must use the microphone stating their name and address prior to addressing the Council.



Call to Order & Flag Salute





ROLL CALL





Introduction Of Media





PUBLIC COMMENT

Agenda Items only





Presentations and/or Proclamations





City of Sutherlin

| STAFF REPORT | | | | | |
|---|---|--------------------------------------|--|--|-------------------------------------|
| Re: 2016 Audit | | | | Meeting Date: | 11/14/16 |
| Purpose: | Action Item <input type="checkbox"/> | Workshop <input type="checkbox"/> | Report Only <input checked="" type="checkbox"/> | Discussion <input type="checkbox"/> | Update <input type="checkbox"/> |
| Submitted By: Dan Wilson, Finance Director | | | | City Manager Review | <input checked="" type="checkbox"/> |
| Attachments: 2016 Communication to the Governing Body and 2016 Financial Report | | | | | |

WHAT IS BEING ASKED OF COUNCIL?

No action is being asked of council at this time. This report is to update the Council as to the final status of the annual audit for the 2016 fiscal year. The Council will be presented the audit by Kenny Allen, CPA who is the lead auditor on the city audit team for Pauly, Rogers and Co., P.C. Bound copies of the audit will be disbursed at the meeting.

EXPLANATION

Staff has reviewed the final Financial Report for the year ended June 30, 2016 and is pleased to report that the city earned an unqualified opinion on the City's financial statements which is commonly referred to as a "clean" audit; meaning that the auditor's have issued an opinion that is with no reservations. Some highlights of the audit are:

From the Communication to the Governing Body letter

- Audit opinion letter – an unqualified opinion on the City's financial statements has been issued. This means we have given a "clean" opinion with no reservations. (P. 2)
- State minimum standards for audits – We found no exceptions or issues requiring comment. (P. 2)
- Qualitative Aspects of Accounting Practices – The disclosures in the financial statements are neutral, consistent, and clear. (P. 2)
- Difficulties Encountered in Performing the Audit – We encountered no significant difficulties in dealing with management in performing and completing our audit. (P. 2)
- Corrected and Uncorrected Misstatements – There were no uncorrected misstatements noted during the audit. (P. 2)
- Disagreements with Management – We are pleased to report that no such disagreements arose during the course of our audit. (P. 2)
- Supplementary Information within Documents Containing Audited Financial Statements – the information is appropriate and complete in relation to our audit of the financial statements. (P. 3)

- Other Information in Documents Containing Audited Financial Statements – Our results noted no material inconsistencies or misstatements of facts. (P. 3)
- The financial affairs have been professionally conducted. The accounting records were in good condition... (P. 4)

From the Financial Report

- Note 2. DEPOSITS AND INVESTMENTS – This note contains new verbiage and should be reviewed. (P. 18-19)
- Custodial Credit Risk – Investments – None of the City’s investments have custodial credit risk. (P. 19)
- Note 6. DEFINED BENEFIT PENSION PLAN – This note provides a large amount of new information which was first introduced last fiscal year (2014-15) and should be reviewed. (P. 22-27)
- Risk Management – Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. (P. 28)

From the Independent Auditors’ Report Required by Oregon State Requirements

- In connection with our testing nothing came to our attention that caused us to believe the City of Sutherlin was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations. (P. 62)

Subsequent Actions Taken by Staff Pertaining to the 2016 Audit

- Filed the report with the Oregon Department of Revenue, Division of Audits and has paid the filing fee.
- Filed the report on the Municipal Securities Rulemaking Board’s (MSRB) web portal as part of our ongoing disclosure requirements with previously issued debt.
- Filed the report with Rural Development and DEQ as part of the annual reporting requirements for previously issued debt held by these entities.

| |
|----------------|
| OPTIONS |
|----------------|

N/A

| |
|----------------------------|
| SUGGESTED MOTION(S) |
|----------------------------|

N/A

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2016



12700 SW 72nd Ave.
Tigard, OR 97223



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
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October 20, 2016

To the City Council
City of Sutherlin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sutherlin for the year ended June 30, 2016. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical procedures to opine on the fair presentation of the financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the City's financial statements has been issued. This means we have given a "clean" opinion with no reservations.
2. State minimum standards for audits - We found no exceptions or issues requiring comment.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016, except for the implementation of GASB Statement No. 72, Fair Value Measurement and Application. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were Management's estimate of Accounts Receivable, the Net Pension Asset, and Capital Asset Depreciation, which are based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. There were no uncorrected misstatements noted during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Supplementary Information within Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

With respect to the other information accompanying the financial statements, we read the information to identify if any material inconsistencies or misstatement of facts existed with the audited financial statements. Our results noted no material inconsistencies or misstatement of facts.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accounts and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

IMPLICIT RATE SUBSIDY FOR OPEBs

In Oregon, an implicit rate subsidy is required for almost all entities, due to the fact that Oregon law requires that any retiree be allowed to buy-back into their former employer’s health insurance plan. In the past, relatively small employers participating in a large, pooled health plan were sometimes exempt from having to account for an implicit rate subsidy due to a “community-rating” exception. In general, this exception applied when the claims experience of an individual employer would have virtually no impact on the premium being charged to that employer. The accounting standards that apply to OPEBs refer to the Actuarial Standards of Practice (ASOPs) in determining whether a community-rated situation applied. However, the newly revised ASOP 6 virtually eliminated the concept of the community-rating exception. As a result, agencies participating in community-rated plans that had previously been exempt from reporting liabilities due to an implicit rate subsidy may now be required to do so. We recommend that Management contact an actuary to determine if an actuarial study is required.

Pauly, Rogers and Co., P.C.
October 20, 2016

The financial affairs have been professionally conducted. The accounting records were in good condition and we commend the staff for their assistance and support during the audit.

This information is intended solely for the use of the City Council and management of the City of Sutherlin and is not intended to be and should not be used by anyone other than these specified parties.




Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016**



12700 SW 72nd Ave.
Tigard, OR 97223

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

FINANCIAL REPORT

**WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2016**

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

Mayor & City Council

June 30, 2016

| <u>Name</u> | <u>POSITION</u> | <u>TERM EXPIRES</u> |
|--------------------|------------------------|----------------------------|
| Todd McKnight | Mayor | December 31, 2016 |
| Forrest Stone | Council President | December 31, 2016 |
| Frank Egbert | City Councilor | December 31, 2018 |
| Karen Meier | City Councilor | December 31, 2016 |
| Tom Boggs | City Councilor | December 31, 2018 |
| Wes Anderson | City Councilor | December 31, 2016 |
| Wayne Luzier | City Councilor | December 31, 2018 |

All council members will receive mail at the following address:

City of Sutherlin
126 East Central Ave.
Sutherlin, Oregon 97479

ADMINISTRATION

Jerry Gilliam, City Manager
Dan Wilson, Finance Director

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

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CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

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October 20, 2016

To the City Council
City of Sutherlin
Sutherlin, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Sutherlin as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Sutherlin at June 30, 2016 and the results of its operations and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

The City adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements as a whole.

The listing of Council members containing their term expiration dates, located before the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 20, 2016 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2016

| | PRIMARY GOVERNMENT | | |
|--|--------------------|------------------|---------------|
| | GOVERNMENTAL | BUSINESS TYPE | TOTAL |
| ASSETS | | | |
| Cash and Investments | \$ 2,789,586 | \$ 1,919,068 | \$ 4,708,654 |
| Receivables | 509,362 | 760,685 | 1,270,047 |
| Prepays | 2,238 | 33,187 | 35,425 |
| Interfund Loans | (58,516) | 58,516 | - |
| Internal Balances | (1,136,476) | 1,136,476 | - |
| Total Current Assets | 2,106,194 | 3,907,932 | 6,014,126 |
| Noncurrent Assets: | | | |
| Capital Assets, net | 9,746,673 | 25,074,304 | 34,820,977 |
| Total Assets | 11,852,867 | 28,982,236 | 40,835,103 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension Related Deferrals | 283,083 | - | 283,083 |
| LIABILITIES | | | |
| Accounts Payable | 87,432 | 118,867 | 206,299 |
| Accrued Expenses | 9,952 | - | 9,952 |
| Customer Deposits | - | 64,487 | 64,487 |
| Accrued Interest Payable | - | 67,005 | 67,005 |
| Long-term Debt: | | | |
| Proportionate Share of Net Pension Liability | 1,190,449 | - | 1,190,449 |
| Due Within One Year | 219,188 | 358,733 | 577,921 |
| Due In More Than One Year | 390,000 | 9,817,196 | 10,207,196 |
| Total Liabilities | 1,897,021 | 10,426,288 | 12,323,309 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Pension Asset | 325,450 | - | 325,450 |
| NET POSITION: | | | |
| Net Investment in | | | |
| Capital Assets | 9,746,673 | 14,898,375 | 24,645,048 |
| Restricted for: | | | |
| Bond Covenants | - | 195,724 | 195,724 |
| Debt Service | 30,752 | 16,986 | 47,738 |
| Capital Projects | 333,416 | 1,239,665 | 1,573,081 |
| Unrestricted | (197,362) | 2,205,198 | 2,007,836 |
| Total Net Position | \$ 9,913,479 | \$ 18,555,948 | \$ 28,469,427 |

The accompanying notes are an integral part of the basic financial statements.

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016**

| | Expenses | Program Revenues | | |
|--------------------------------------|---------------|-------------------------|--|--|
| | | Charges For Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Functions/Programs | | | | |
| Governmental Activities | | | | |
| General Government | \$ 2,628,415 | \$ 24,345 | \$ 9,748 | \$ - |
| Public Safety & Fire | 2,228,804 | 318,718 | - | - |
| Highways and Streets | 3,743,013 | 26,368 | - | - |
| Culture and Recreation | 478,782 | 14,982 | 89,196 | - |
| Tourism | 99,343 | - | - | - |
| Interest on Long-term Debt | 24,750 | - | - | - |
| Total Governmental Activities | 9,203,107 | 384,413 | 98,944 | - |
| Business-Type Activities | | | | |
| Wastewater | 1,657,245 | 1,759,507 | - | - |
| Water | 1,611,127 | 2,038,485 | - | - |
| Total Business Activities | 3,268,372 | 3,797,992 | - | - |
| Total Primary Government | \$ 12,471,479 | \$ 4,182,405 | \$ 98,944 | \$ - |
| General Revenues: | | | | |
| Property Taxes | | | | |
| Franchise Taxes | | | | |
| Intergovernmental | | | | |
| Miscellaneous | | | | |
| Interest | | | | |
| Gain/(Loss) On Disposal | | | | |
| Transfers | | | | |
| Total General Revenues and Transfers | | | | |
| Change in Net Position | | | | |
| Beginning Net Position | | | | |
| Ending Net Position | | | | |

The accompanying notes are an integral part of the basic financial statements.

Net Revenues (Expenses) and Changes in Net Position

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|----------------|
| \$ (2,594,322) | \$ - | \$ (2,594,322) |
| (1,910,086) | - | (1,910,086) |
| (3,716,645) | - | (3,716,645) |
| (374,604) | - | (374,604) |
| (99,343) | - | (99,343) |
| (24,750) | - | (24,750) |
| (8,719,750) | - | (8,719,750) |
| - | 102,262 | 102,262 |
| - | 427,358 | 427,358 |
| - | 529,620 | 529,620 |
| (8,719,750) | 529,620 | (8,190,130) |
| 2,716,165 | - | 2,716,165 |
| 423,377 | - | 423,377 |
| 814,565 | - | 814,565 |
| 229,004 | - | 229,004 |
| 14,937 | 19,835 | 34,772 |
| - | - | - |
| 755,783 | (755,783) | - |
| 4,953,831 | (735,948) | 4,217,883 |
| (3,765,919) | (206,328) | (3,972,247) |
| 13,679,398 | 18,762,276 | 32,441,674 |
| \$ 9,913,479 | \$ 18,555,948 | \$ 28,469,427 |

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016**

| | GENERAL FUND | STREET CONSTRUCTION FUND | OTHER GOVERNMENTAL FUNDS | TOTAL |
|---|---------------------|--------------------------------|--------------------------------|---------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 1,883,342 | \$ 95,842 | \$ 687,501 | \$ 2,666,685 |
| Accounts Receivable | 409,784 | - | 97,468 | 507,252 |
| Prepays | 2,238 | - | - | 2,238 |
| Total Assets | <u>\$ 2,295,364</u> | <u>\$ 95,842</u> | <u>\$ 784,969</u> | <u>\$ 3,176,175</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 55,283 | \$ - | \$ 21,786 | \$ 77,069 |
| Interfund Payable | 58,516 | - | - | 58,516 |
| Accrued Expenses | 9,952 | - | - | 9,952 |
| Total Liabilities | 123,751 | - | 21,786 | 145,537 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue - Property Taxes | 257,100 | - | 6,006 | 263,106 |
| Total Liabilities and Deferred Inflows | <u>380,851</u> | <u>-</u> | <u>27,792</u> | <u>408,643</u> |
| Fund Balances: | | | | |
| Nonspendable | 2,238 | - | - | 2,238 |
| Restricted | - | - | 364,168 | 364,168 |
| Committed | - | 95,842 | 346,788 | 442,630 |
| Assigned | 347,718 | - | 46,221 | 393,939 |
| Unassigned | 1,564,557 | - | - | 1,564,557 |
| Total Fund Balances | <u>1,914,513</u> | <u>95,842</u> | <u>757,177</u> | <u>2,767,532</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 2,295,364</u> | <u>\$ 95,842</u> | <u>\$ 784,969</u> | <u>\$ 3,176,175</u> |

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION**
June 30, 2016

Explanation of certain differences between the governmental fund balance sheet
and the government-wide statement of net position.

| | |
|---|---------------------|
| Fund Balances | \$ 2,767,532 |
| The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole. | |
| Net Capital Assets | 9,746,673 |
| Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. | |
| Long-term Obligations | (609,188) |
| The Net Pension Asset (Liability), and deferred inflows and outflows related to the Net Pension Asset is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries | |
| | (1,232,816) |
| The internal service fund is not reported in the governmental funds but is included in the government-wide governmental activities. | |
| Net Position of internal service fund | (1,021,828) |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | |
| Unearned/Unavailable Revenue | <u>263,106</u> |
| Total Net Position | <u>\$ 9,913,479</u> |

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

| | GENERAL FUND | STREET CONSTRUCTION FUND | OTHER GOVERNMENTAL FUNDS | TOTAL |
|---|-----------------|--------------------------------|--------------------------------|--------------|
| REVENUES | | | | |
| Property Taxes | \$ 2,668,746 | \$ - | \$ 51,000 | \$ 2,719,746 |
| Franchise Fees | 423,377 | - | - | 423,377 |
| System Development Charges | - | - | 35,368 | 35,368 |
| Assessments | - | - | 181,675 | 181,675 |
| Grants and Contributions | - | - | 94,617 | 94,617 |
| Licences, Permits and Fees | 9,550 | - | - | 9,550 |
| Fines and Forfeitures | 111,378 | - | - | 111,378 |
| Charges for Services | 20,275 | - | - | 20,275 |
| Intergovernmental | 420,751 | - | 602,097 | 1,022,848 |
| Interest | 10,452 | 591 | 3,894 | 14,937 |
| Miscellaneous | 42,280 | - | 8,749 | 51,029 |
| Total Revenues | 3,706,809 | 591 | 977,400 | 4,684,800 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 1,358,524 | - | - | 1,358,524 |
| Culture and Recreation | 143,287 | - | 104,016 | 247,303 |
| Tourism | - | - | 79,705 | 79,705 |
| Highways and Streets | - | - | 141,729 | 141,729 |
| Public Safety and Fire | 2,453,273 | - | - | 2,453,273 |
| Debt Service | 383 | - | 61,356 | 61,739 |
| Capital Outlay | - | 8,043 | 228,646 | 236,689 |
| Total Expenditures | 3,955,467 | 8,043 | 615,452 | 4,578,962 |
| Excess of Revenues Over, (Under) Expenditures | (248,658) | (7,452) | 361,948 | 105,838 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Interfund Loans | - | - | - | - |
| Surplus Property | - | - | - | - |
| Transfers In | 1,109,250 | - | 25,000 | 1,134,250 |
| Transfers Out | (273,000) | - | (336,650) | (609,650) |
| Total Other Financing Sources, (Uses) | 836,250 | - | (311,650) | 524,600 |
| Net Change in Fund Balance | 587,592 | (7,452) | 50,298 | 630,438 |
| Beginning Fund Balance | 1,326,921 | 103,294 | 706,879 | 2,137,094 |
| Ending Fund Balance | \$ 1,914,513 | \$ 95,842 | \$ 757,177 | \$ 2,767,532 |

The accompanying notes are an integral part of the basic financial statement

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2016

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

| | |
|---|-----------------------|
| Excess of Revenues over Expenditures | \$ 630,438 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | |
| Capital Outlay | 247,203 |
| Depreciation Expense | (3,672,346) |
| The Pension Expense and the changes in deferred inflows and outflows related to the Net Pension Asset represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. | |
| | (1,020,666) |
| Internal service funds are used by management to charge the costs of various function to the individual funds. The net revenue (expense) of the internal service fund is allocated between governmental and business-type activities. | |
| | 16,044 |
| Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances. | |
| Principal payments on long-term obligations/Accrued Vacation | 36,989 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | |
| Unearned/Unavailable Revenue | <u>(3,581)</u> |
| Change in Net Position | <u>\$ (3,765,919)</u> |

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF PROPRIETARY NET POSITION
June 30, 2016

| | WATER FUND | WASTEWATER FUND | WATER CONSTRUCTION FUND |
|---|---------------|--------------------|-------------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Investments | \$ 139,779 | \$ 186,679 | \$ 553,819 |
| Accounts Receivable, net | 262,409 | 176,781 | - |
| Interfund Loan | 58,516 | - | - |
| Prepays | - | - | - |
| Total Current Assets | 460,704 | 363,460 | 553,819 |
| Noncurrent Assets | | | |
| Bond Issue Costs, net | - | - | - |
| Capital Assets, Net | 13,386,133 | 11,688,171 | - |
| Total Noncurrent Assets | 13,386,133 | 11,688,171 | - |
| Total Assets | \$ 13,846,837 | \$ 12,051,631 | \$ 553,819 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 41,287 | \$ 46,968 | \$ 14,516 |
| Accrued Expenses | - | - | - |
| Bond Premium, net | - | - | - |
| Customer Deposits | 64,487 | - | - |
| Accrued Interest Payable | 67,005 | - | - |
| Long Term Debt, Current Position | 208,159 | 150,574 | - |
| Total Current Liabilities: | 380,938 | 197,542 | 14,516 |
| Long-term Liabilities: | | | |
| Long Term Debt, Net of Current Position | 6,521,116 | 3,296,080 | - |
| Total Long-term Liabilities | 6,521,116 | 3,296,080 | - |
| Total Liabilities: | 6,902,054 | 3,493,622 | 14,516 |
| NET POSITION | | | |
| Invested in Capital Assets, Net of Related Debt | 6,656,858 | 8,241,517 | - |
| Restricted for: | | | |
| Bond Covenants | - | - | - |
| Debt Services | - | - | - |
| Capital Projects | - | - | 539,303 |
| Unrestricted | 287,925 | 316,492 | - |
| Total Net Position | 6,944,783 | 8,558,009 | 539,303 |
| Total Liabilities and Fund Equity | \$ 13,846,837 | \$ 12,051,631 | \$ 553,819 |

The accompanying notes are an integral part of the basic financial statement

| WASTEWATER CONSTRUCTION FUND | OTHER NONMAJOR FUNDS | TOTAL | INTERNAL SERVICE FUND |
|---|----------------------------|---------------|-----------------------------|
| \$ 272,386 | \$ 766,405 | \$ 1,919,068 | \$ 122,901 |
| - | 321,495 | 760,685 | 2,110 |
| - | - | 58,516 | - |
| - | 33,187 | 33,187 | - |
| 272,386 | 1,121,087 | 2,771,456 | 125,011 |
| - | - | - | - |
| - | - | 25,074,304 | - |
| - | - | 25,074,304 | - |
| \$ 272,386 | \$ 1,121,087 | \$ 27,845,760 | \$ 125,011 |
| \$ 15,085 | \$ 1,011 | \$ 118,867 | \$ 6,475 |
| - | - | - | 3,888 |
| - | - | - | - |
| - | - | 64,487 | - |
| - | - | 67,005 | - |
| - | - | 358,733 | - |
| 15,085 | 1,011 | 609,092 | 10,363 |
| - | - | 9,817,196 | - |
| - | - | 9,817,196 | - |
| 15,085 | 1,011 | 10,426,288 | 10,363 |
| - | - | 14,898,375 | - |
| - | 195,724 | 195,724 | - |
| - | 16,986 | 16,986 | - |
| 257,301 | 443,061 | 1,239,665 | - |
| - | 464,305 | 1,068,722 | 114,648 |
| 257,301 | 1,120,076 | 17,419,472 | 114,648 |
| \$ 272,386 | \$ 1,121,087 | \$ 27,845,760 | \$ 125,011 |
| Net Position Above | | | 17,419,472 |
| Internal Service Activities related to Business Typ | | | 1,136,476 |
| Total Net Position Business Type Activitie | | | 18,555,948 |

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2016**

| | WATER FUND | WASTEWATER FUND | WATER CONSTRUCTION FUND |
|---|---------------|--------------------|-------------------------------|
| OPERATING REVENUES | | | |
| Charges for Service: | \$ 2,007,816 | \$ 1,531,224 | \$ - |
| Miscellaneous | - | 2,650 | - |
| Total Operating Revenues: | 2,007,816 | 1,533,874 | - |
| OPERATING EXPENSES | | | |
| Personal Service | - | - | - |
| Materials and Service: | 268,692 | 449,878 | 36,586 |
| Depreciation and Amortization | 505,838 | 636,691 | - |
| Total Operating Expenses: | 774,530 | 1,086,569 | 36,586 |
| Operating Income -Loss: | 1,233,286 | 447,305 | (36,586) |
| NONOPERATING REVENUES, (EXPENSES) | | | |
| Interest | 1,372 | 991 | 2,389 |
| Debt Proceeds | - | - | - |
| Interest Expense | - | - | - |
| System Development Charges: | 1,482 | - | 29,187 |
| Invergovernmental | - | - | - |
| Miscellaneous | - | - | - |
| Total Nonoperating Revenues (Expenses) | 2,854 | 991 | 31,576 |
| Capital Contributions: | 237,413 | 207,236 | - |
| Transfers In | - | - | 250,000 |
| Transfers Out | (1,633,100) | (1,154,500) | - |
| Change in Net Position | (159,547) | (498,968) | 244,990 |
| Net Position (Deficit), Beginning of Year, Restated | 7,104,330 | 9,056,977 | 294,313 |
| Net Position (Deficit), end of year | \$ 6,944,783 | \$ 8,558,009 | \$ 539,303 |

The accompanying notes are an integral part of the basic financial statement

| WASTEWATER CONSTRUCTION FUND | OTHER NONMAJOR FUNDS | TOTAL | INTERNAL SERVICE FUND |
|------------------------------------|----------------------------|---------------|-----------------------------|
| \$ - | \$ 15,699 | \$ 3,554,739 | \$ - |
| - | - | 2,650 | 11,660 |
| - | 15,699 | 3,557,389 | 11,660 |
| - | - | - | 1,057,673 |
| 557,359 | 14,219 | 1,326,734 | 54,888 |
| - | - | 1,142,529 | - |
| 557,359 | 14,219 | 2,469,263 | 1,112,561 |
| (557,359) | 1,480 | 1,088,126 | (1,100,901) |
| 1,247 | 13,072 | 19,071 | 949 |
| 488,975 | - | 488,975 | - |
| - | (639,735) | (639,735) | - |
| 2,698 | - | 33,367 | - |
| - | - | - | - |
| - | - | - | - |
| 492,920 | (626,663) | (98,322) | 949 |
| 100,000 | - | 444,649 | - |
| - | 730,000 | 1,080,000 | 1,223,000 |
| - | - | (2,787,600) | (40,000) |
| 35,561 | 104,817 | (273,147) | 83,048 |
| 221,740 | 1,015,259 | 17,692,619 | 31,600 |
| \$ 257,301 | \$ 1,120,076 | \$ 17,419,472 | \$ 114,648 |

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2016**

| | WATER FUND | WASTEWATER FUND | WATER CONSTRUCTION FUND |
|---|---------------|--------------------|-------------------------------|
| Cash Flows from Operating Activities: | | | |
| Cash Received from Customers | \$ 2,024,090 | \$ 1,503,635 | \$ - |
| Cash Paid to Suppliers | (296,883) | (425,412) | (27,026) |
| Net Cash Provided (Used) by Operating Activities | 1,727,207 | 1,078,223 | (27,026) |
| Cash Flows from Noncapital Financing Activities: | | | |
| Miscellaneous | 1,482 | - | 29,187 |
| Transfers | (1,633,100) | (1,154,500) | 250,000 |
| Net Cash Provided (Used) by Noncapital Financing Activities | (1,631,618) | (1,154,500) | 279,187 |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Bond Proceeds | - | - | - |
| Intergovernmental | - | - | - |
| Interfund Loan | - | - | - |
| Payments on debt | - | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | - | - | - |
| Cash Flows from Investing Activities: | | | |
| Purchase of Capital Assets | (21,797) | (13,104) | - |
| Earnings on Investments | 1,372 | 991 | 2,389 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 75,164 | (88,390) | 254,550 |
| Cash and Investments at Beginning of Year | 31,407 | 275,069 | 299,269 |
| Cash and Investments at End of Year | \$ 106,571 | \$ 186,679 | \$ 553,819 |
| Reconciliation of Operating Income to | | | |
| Net Cash Provided by Operating Activities | | | |
| Operating Income, (Loss) | \$ 1,233,286 | \$ 447,305 | \$ (36,586) |
| Noncash Items Included in Income: | | | |
| Depreciation | 505,838 | 636,691 | - |
| Decrease (Increase) in Accounts Receivable | 16,274 | (30,239) | - |
| Increase (Decrease) in Accounts Payable and Accrued Liabilities | (28,191) | 24,466 | 9,560 |
| Increase (Decrease) in Customer Deposits | (7,820) | - | - |
| Net Cash Provided (Used) by Operating Activities | \$ 1,719,387 | \$ 1,078,223 | \$ (27,026) |

Noncash Transactions:

All of the enterprise funds have their debt and capital assets purchased/paid for them. The funds recognized capital contributions on the Statement of Revenues and Expenses to account for this activity. The Water and Wastewater funds had the following noncash transactions for capital contributions: \$237,413 and \$207,236, respectively.

The accompanying notes are an integral part of the basic financial statement

| WASTEWATER CONSTRUCTION FUND | OTHER NONMAJOR FUNDS | TOTAL | INTERNAL SERVICE FUND |
|------------------------------------|----------------------------|--------------------------------|-----------------------------|
| \$ - (580,095) | \$ 56,860 (13,208) | \$ 3,584,585 (1,342,624) | \$ 11,163 (1,106,340) |
| (580,095) | 43,652 | 2,241,961 | (1,095,177) |
| 2,698 100,000 | - 730,000 | 33,367 (1,707,600) | - 1,183,000 |
| 102,698 | 730,000 | (1,674,233) | 1,183,000 |
| 488,975 - - - | - - - (639,735) | 488,975 - - (639,735) | - - - - |
| 488,975 | (639,735) | (639,735) | - |
| 1,247 | 13,072 | (34,901) 19,071 | 949 |
| 12,825 | 146,989 | (87,837) | 88,772 |
| 259,561 | 619,416 | 1,484,722 | 34,129 |
| \$ 272,386 | \$ 766,405 | \$ 1,396,885 | \$ 122,901 |
| \$ (557,359) | \$ 1,480 | \$ 1,088,126 | \$ (1,100,901) |
| - - | - 41,161 | 1,142,529 27,196 | - (497) |
| (22,736) - | 1,011 - | (15,890) (7,820) | 6,221 - |
| \$ (580,095) | \$ 43,652 | \$ 2,234,141 | \$ (1,095,177) |

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF FIDUCIARY ASSETS
FIDUCIARY FUNDS
June 30, 2016**

| | <u>Agency</u> |
|---------------------------|------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ <u>7,778</u> |
| Total Assets | \$ <u><u>7,778</u></u> |
| LIABILITIES | |
| Accounts Payable | \$ 8,508 |
| Amounts held in trust | <u>(730)</u> |
| Total Liabilities | \$ <u><u>7,778</u></u> |

The accompanying notes are an integral part of the basic financial statements.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION (REPORTING ENTITY)

The City was incorporated in 1911. Control of the City is vested in its mayor and council members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the Mayor and Council. The chief administrative officer is the City Manager.

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statements and proprietary funds have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements. The City has elected not to follow FASB pronouncements issued after November 30, 1989.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION (CONTINUED)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The basis of accounting described above is in accordance with accounting principles generally accepted in the United States of America.

The City reports the following major governmental funds:

General - accounts for all financial resources of the City, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for general government operations, highways and streets, public safety, tourism, and culture and recreation.

Street Construction - accounts for the cost of construction of City streets and storm water drainage systems.

The City reports the following major proprietary funds:

Water - accounts for the operation of the water system.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Wastewater – accounts for the operation of the wastewater treatment plant and collection system.

Water Construction – accounts for the receipt and disbursement of funds for major replacement or additions to the water system infrastructure. The principal sources of revenues are transfers from the Water fund and water system development charges.

Wastewater Construction – accounts for the receipt and disbursement of funds for major replacement or additions to the wastewater system infrastructure. The principal sources of revenues are loan proceeds

The City also includes the following fund types as other governmental funds and other enterprise funds:

Special revenue – accounts for revenue derived from specific taxes or other revenue sources, which are legally restricted to particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

Debt service – accounts for repayment of principal and interest on its outstanding loan.

Capital projects – accounts for expenditures on major construction projects. The principal sources of revenues are proceeds from donations.

Enterprise – accounts for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis, and internal service funds account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Agency – accounts for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with applicable legislative enactment.

D. BUDGETS POLICIES AND BUDGETARY CONTROL

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BUDGETS POLICIES AND BUDGETARY CONTROL (CONTINUED)

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The City council must authorize all appropriation transfers and supplementary budgetary appropriations. The City's disbursements did not exceed appropriations.

E. COMPENSATED ABSENCES - SICK LEAVE

The City has a policy which permits full-time employees to accumulate sick leave at the rate of one day per month up to 2,000 hours.

F. USE OF ESTIMATES

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

G. CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

H. RECEIVABLES

Property taxes are assessed and become a lien on all taxable property as of July 1. Property taxes are levied on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable collected within 60 days subsequent to year-end are considered measurable and available, and are recognized as revenues. All other property taxes receivable are offset by deferred revenue because they are not deemed available to finance operations of the current period.

Receivables for federal and state grants and state, county, and local shared revenue are recorded as revenue in all fund types as earned. Receivables of the Proprietary Funds are recorded as revenue in all funds as earned. The allowance for doubtful accounts is established on a historical view of delinquencies.

I. CAPITAL ASSETS

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems acquired since July 1, 2003 are recorded at cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. CAPITAL ASSETS (CONITNUED)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Net revenue bond interest cost incurred during the construction periods is capitalized when material.

Capital assets are depreciated using the straight line method over the following estimated useful lives.

| | |
|-------------------------------------|--------|
| Assets | 10- 50 |
| Buildings | 20-40 |
| Improvements other than buildings | 4-10 |
| Equipment | 20-30 |
| Streets | 20-50 |
| Distribution and collection systems | 18 |

J. FUND EQUITY

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- *Nonspendable* fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents prepaid items.
- *Restricted* fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- *Committed* fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- *Assigned* fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The City Council has granted the City Manager and the Finance Director the authority to classify portions of ending fund balance as Assigned.
- *Unassigned* fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The Council has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. FUND EQUITY

To preserve a sound financial system and to provide a stable financial base, the Council has adopted the following fund balance policy: The City shall strive to maintain the General Fund undesignated fund balance at 35% or four months of regular general fund operating expenditures. In enterprise funds, the City shall strive to maintain positive retained earnings positions to provide sufficient reserves for emergencies and revenue shortfalls. Specifically, in the Water and Sewer Enterprise Fund, an operating reserve will be established and maintained at 20 percent of the current year's budget appropriation for operation and maintenance, which is defined as the total budget less debt service and capital projects expenditures. The City shall not regularly maintain positive retained earnings in internal service funds. When an internal service fund builds up retained earnings, the City shall transfer it to other operating funds. The City shall maintain sufficient reserves in its debt service funds which shall equal or exceed the reserve fund balances required by bond ordinances.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have an item that qualifies for reporting in this category. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time

L. RETIREMENT PLANS

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2015.

M. Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

2. DEPOSITS AND INVESTMENTS

The City maintains a pool of cash and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2016. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2016, the fair value of the position in the LGIP is 100.6% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

Credit risk: Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-I by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

2. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2016, the City had the following investments:

| Investment Type | Fair Value | Investment Maturities (in months) | | |
|-----------------------------------|--------------|-----------------------------------|------|--------------|
| | | Less than 3 | 3-18 | More than 18 |
| State Treasurer's Investment Pool | \$ 4,375,115 | \$ 4,375,115 | \$ - | \$ - |
| Total | \$ 4,375,115 | \$ 4,375,115 | \$ - | \$ - |

Interest Rate Risk: The City's policy to manage its exposure to fair-value losses arising from increases in interest rates is to limit investment maturities to 18 months.

Concentration of Credit Risk: The City policy does not allow for an investment in anyone issuer that is in excess of 50 percent of the City's total investments with the exception of the LGIP, Treasury Direct, or the City's banking institution.

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. None of the City's investments have custodial credit risk. The City's policy does not limit the amount of investments that can be held by counterparties.

Custodial Credit Risk - Deposits: This is the risk that, in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides Insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program. Oregon Revised Statutes and City policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. As of June 30, 2016, the total bank balance per the bank statements was \$343,473. Of these deposits, \$250,000 was covered by federal depository insurance. The remainder, if any, is collateralized the Oregon Public Funds Collateralization Program (PFCP). The City's deposits and investments at June 30, 2016 are as follows:

Deposits with Financial Institutions:

| | |
|----------------------------|---------------------|
| Petty Cash | \$ 500 |
| Demand Deposits | 340,817 |
| Investments | 4,375,115 |
| Total cash and Investments | <u>\$ 4,716,432</u> |

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

3. CAPITAL ASSETS

Changes in Governmental Capital Assets for the year ended June 30, 2016 are as follows:

| <u>Governmental Activities</u> | <u>Balance June 30, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2016</u> |
|--------------------------------|----------------------------------|------------------|------------------|----------------------------------|
| Land* | \$ 1,116,919 | \$ - | \$ - | \$ 1,116,919 |
| Construction in Progress* | 124,729 | 6,517 | (17,926) | 113,320 |
| Infrastructure | 101,008,291 | 248,098 | - | 101,256,389 |
| Buildings and Improvements | 3,956,047 | - | - | 3,956,047 |
| Vehicles and Equipment | 2,224,895 | 10,331 | - | 2,235,226 |
| Total Capital Assets | <u>108,430,881</u> | <u>264,946</u> | <u>(17,926)</u> | <u>108,677,901</u> |
| Accumulated Depreciation: | | | | |
| Infrastructure | 91,294,519 | 3,455,607 | - | 94,750,126 |
| Buildings and Improvements | 2,058,531 | 139,175 | - | 2,197,706 |
| Vehicles and Equipment | 1,905,832 | 77,564 | - | 1,983,396 |
| Total Accumulated Depreciation | <u>95,258,882</u> | <u>3,672,346</u> | <u>-</u> | <u>98,931,228</u> |
| Total Net Capital Assets | <u>\$ 13,171,999</u> | | | <u>\$ 9,746,673</u> |

Depreciation expense was charged to functions/programs of the City as follows:

| | |
|------------------------|---------------------|
| General Government | \$ 71,729 |
| Public Safety | 73,992 |
| Highways and Streets | 3,445,409 |
| Culture and Recreation | 80,391 |
| Tourism | 825 |
| Total | <u>\$ 3,672,346</u> |

Changes in Business-Type Capital Assets for the year ended June 30, 2016 are as follows:

| | <u>Balances July 1, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2016</u> |
|---|----------------------------------|---------------------|------------------|----------------------------------|
| Capital Assets not being depreciated | | | | |
| Land | \$ 3,175,455 | 106,321 | \$ - | \$ 3,281,776.00 |
| Construction in progress | 103,580 | 402,766 | - | 506,346 |
| Water Rights | 595,000 | 34,901 | - | 629,901 |
| Total capital assets not being depreciated | <u>3,874,035</u> | <u>543,988</u> | <u>-</u> | <u>4,418,023</u> |
| Capital assets being depreciated | | | | |
| Infrastructure and plant | 50,800,471 | 18,350 | - | 50,818,821 |
| Buildings | 268,331 | 61,882 | - | 330,213 |
| Vehicles and equipment | 1,096,745 | - | - | 1,096,745 |
| Total capital assets being depreciated | <u>52,165,547</u> | <u>80,232</u> | <u>-</u> | <u>52,245,779</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure and Plant | 29,382,787 | 1,099,683 | - | 30,482,470 |
| Buildings | 91,925 | 10,283 | - | 102,208 |
| Vehicles and equipment | 972,257 | 32,563 | - | 1,004,820 |
| Total | <u>30,446,969</u> | <u>1,142,529</u> | <u>-</u> | <u>31,589,498</u> |
| Total capital assets being depreciated, net | <u>21,718,578</u> | <u>(1,062,297)</u> | <u>-</u> | <u>20,656,281</u> |
| Total capital assets, net | <u>\$ 25,592,613</u> | <u>\$ (518,309)</u> | <u>\$ -</u> | <u>\$ 25,074,304</u> |

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

4. RECEIVABLES

The City's receivables at June 30, 2016 are shown below:

| | | |
|------------------|----|------------------|
| Property Taxes | \$ | 278,054 |
| Accounts | | 599,316 |
| Utility Accounts | | 392,677 |
| | \$ | <u>1,270,047</u> |

5. LONG-TERM OBLIGATIONS

A. Transactions for governmental activities for the year ended June 30, 2016 were as follows:

| | Balance July 1, 2015 | Additions | Deletions | Balance June 30, 2016 | Due within One Year |
|---|-------------------------|-------------------|-------------------|--------------------------|------------------------|
| General Obligation Bonds (original amount \$800,000, & 3-5% interest | \$ 470,000 | \$ - | \$ 40,000 | \$ 430,000 | \$ 40,000 |
| Compensated Absences | 176,177 | 179,188 | 176,177 | 179,188 | 179,188 |
| Total | <u>\$ 646,177</u> | <u>\$ 179,188</u> | <u>\$ 216,177</u> | <u>\$ 609,188</u> | <u>\$ 219,188</u> |

Transactions for business-type activities for the year ended June 30, 2016 were as follows:

| | Balance July 1, 2015 | Additions | Deletions | Balance June 30, 2016 | Due within One Year |
|---|-------------------------|-------------|-------------------|--------------------------|------------------------|
| USDA Rural Development (original amount \$450,000, 3.25-5% interest) | \$ 4,017 | \$ - | \$ 3,525 | \$ 492 | \$ 492 |
| Water Revenue Series 2008 (original amount \$2,360,000, 3.75-5%) | 1,740,000 | - | 105,000 | 1,635,000 | 110,000 |
| 2012 Refunding Bonds (original amount \$795,000, 1.85-3.6%) | 600,000 | - | 65,000 | 535,000 | 70,000 |
| USDA Revenue Bonds (\$4,601,000, 2.375%) | 4,530,788 | | 71,880 | 4,458,908 | 73,587 |
| OECD (original amount \$779,697, 3- 4.75%) | 658,798 | - | 23,923 | 634,875 | 24,080 |
| IFA Loan, October 2014 (original amount \$2,625,000, 2.67%) | 2,501,157 | - | 78,478 | 2,422,679 | 80,574 |
| Total | <u>\$ 10,034,760</u> | <u>\$ -</u> | <u>\$ 347,806</u> | <u>\$ 9,686,954</u> | <u>\$ 358,733</u> |

Governmental:

| 2005 GO Bonds | | |
|---------------|-------------------|-------------------|
| Year | Principal | Interest |
| 2016-2017 | 40,000 | 19,806 |
| 2017-2018 | 40,000 | 18,256 |
| 2018-2019 | 45,000 | 16,656 |
| 2019-2020 | 45,000 | 14,856 |
| 2020-2021 | 45,000 | 13,000 |
| 2021-2024 | 215,000 | 27,750 |
| | <u>\$ 430,000</u> | <u>\$ 110,324</u> |

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

5. LONG-TERM OBLIGATIONS (CONTINUED)

Business-Type

| 2012 Refunding Bonds | | | 2009 OECDD Loan | | USDA Note | |
|----------------------|-------------------|------------------|-------------------|-------------------|---------------|---------------|
| Year | Principal | Interest | Principal | Interest | Principal | Interest |
| 2016-2017 | 70,000 | 14,775 | 24,080 | 29,747 | 492 | 100 |
| 2017-2018 | 65,000 | 13,527 | 24,243 | 28,784 | - | - |
| 2018-2019 | 70,000 | 11,841 | 24,413 | 27,814 | - | - |
| 2019-2020 | 75,000 | 9,593 | 24,601 | 26,777 | - | - |
| 2020-2021 | 70,000 | 7,345 | 29,808 | 25,670 | - | - |
| 2021-2026 | 185,000 | 15,710 | 162,514 | 107,624 | - | - |
| 2026-2031 | - | - | 199,969 | 64,005 | - | - |
| 2031-2036 | - | - | 145,247 | 13,836 | - | - |
| | <u>\$ 535,000</u> | <u>\$ 72,791</u> | <u>\$ 634,875</u> | <u>\$ 324,257</u> | <u>\$ 492</u> | <u>\$ 100</u> |

| 2008 Water Revenue Bonds | | | 2013 USDA Revenue Bonds | | 2014 IFA Loan | |
|--------------------------|---------------------|-------------------|-------------------------|---------------------|--------------------|-------------------|
| Year | Principal | Interest | Principal | Interest | Principal | Interest |
| 2016-2017 | 110,000 | 66,374 | 73,587 | 105,899 | 80,574 | 64,686 |
| 2017-2018 | 115,000 | 61,976 | 75,335 | 104,151 | 82,725 | 62,534 |
| 2018-2019 | 115,000 | 57,374 | 77,124 | 102,362 | 84,944 | 60,325 |
| 2019-2020 | 120,000 | 52,774 | 78,956 | 100,530 | 87,202 | 58,058 |
| 2020-2021 | 125,000 | 47,976 | 80,831 | 98,655 | 89,530 | 55,729 |
| 2021-2026 | 720,000 | 159,124 | 433,878 | 463,552 | 484,808 | 241,489 |
| 2026-2031 | 330,000 | 13,820 | 487,907 | 409,523 | 553,081 | 173,216 |
| 2031-2036 | - | - | 548,664 | 348,766 | 630,967 | 95,331 |
| 2036-2041 | - | - | 616,987 | 280,443 | 328,848 | 15,311 |
| 2041-2046 | - | - | 693,818 | 203,612 | - | - |
| 2046-2051 | - | - | 780,215 | 117,215 | - | - |
| 2051-2056 | - | - | 511,606 | 24,435 | - | - |
| | <u>\$ 1,635,000</u> | <u>\$ 459,418</u> | <u>\$ 4,458,908</u> | <u>\$ 2,359,143</u> | <u>\$2,422,679</u> | <u>\$ 826,679</u> |

The City entered into a loan agreement with Oregon DEQ, the total amount to be received is \$18,500,000, at a interest rate of 1.47%. At June 30,2016 the City has drawn down \$488,975, all of which is classified as due in more than one year.

6. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

6. DEFINED BENEFIT PENSION PLAN

- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

6. DEFINED BENEFIT PENSION PLAN

- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2016 were \$154,896, excluding amounts to fund employer specific liabilities. In addition approximately \$124,414 in employee contributions were paid or picked up by the City in fiscal 2016. At June 30, 2016, the City reported a net pension liability of \$1,190,449 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2013, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the City's proportion was .017 percent.

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|--|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 64,195 | \$ - |
| Changes in assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | 249,545 |
| Net changes in proportionate share and differences between District contributions and proportionate share of contributions | 63,992 | 75,905 |
| Subtotal - Amortized Deferrals (below) | 128,187 | 325,450 |
| School contributions subsequent to measuring date | 154,896 | - |
| Deferred outflow (inflow) of resources | <u>\$ 283,083</u> | <u>\$ 325,450</u> |

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

| <u>Year ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------------|
| 2016 | \$ (107,468) |
| 2017 | \$ (107,468) |
| 2018 | \$ (107,468) |
| 2019 | \$ 119,877 |
| 2020 | \$ 5,264 |
| Thereafter | - |
| Total | <u>\$ (197,263)</u> |

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

6. DEFINED BENEFIT PENSION PLAN

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated May 23, 2016. Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx.

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

| | |
|---------------------------|---|
| Valuation Date | December 31, 2013 rolled forward to June 30, 2015 |
| Experience Study Report | 2014, Published September 18, 2015 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years |
| Asset valuation method | Market value of assets |
| Inflation rate | 2.75 percent |
| Investment rate of return | 7.75 percent |
| Projected salary increase | 3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service. For COLA, a blend of 2% COLA and graded COLA (1.25%/1.15%) in accordance with Moro decision, blend based on service. |
| Mortality | Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table. |

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

6. DEFINED BENEFIT PENSION PLAN

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2013.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

| | (6.75%) | (7.75%) | (8.75%) |
|---|--------------|--------------|--------------|
| District's proportionate share of the net pension liability | \$ 2,873,104 | \$ 1,190,449 | \$ (227,587) |

Since the December 31, 2013 actuarial valuation, the system-wide actuarial accrued liability has increased primarily due to the Moro decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future system Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the benefits projected to be paid by Employers compared to those developed in the prior actuarial valuation, and consequently increased plan liabilities. The employers' projected long-term contribution effort has been adjusted for the estimated impact of the Moro Decision. In accordance with statute, a biennial review of actuarial methods and assumptions was completed in 2015 to be used for the December 31, 2014 actuarial valuation. After completion of this review and subsequent to the measurement date, the PERS Board adopted several assumption changes, including lowering the investment return assumption to 7.50%, which will be effective January 1, 2016 and will be included in the next update.

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

6. DEFINED BENEFIT PENSION PLAN

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The District makes this contribution on behalf of its employees. The District contributed approximately \$1,534 for the year ended June 30, 2016.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

7. INTERFUND TRANSFERS

Cash transfers are indicative of funding for capital projects, debt service, subsidies of various city operations, and re-allocations of special revenues. Transfers are netted on the Statement of Activities as required by GASB 34. The following schedule briefly summarizes the City's transfer activity for the year ended June 30, 2016:

| <u>Fund</u> | <u>Transfer In</u> | <u>Transfer Out</u> |
|-------------------------|---------------------|---------------------|
| General Fund | \$ 1,109,250 | \$ 273,000 |
| Other Governmental | 25,000 | 336,650 |
| Water | - | 1,633,100 |
| Wastewater | - | 1,154,500 |
| Water Construction | 250,000 | - |
| Wastewater Construction | 100,000 | - |
| Other Business Type | 730,000 | - |
| Internal Service | 1,223,000 | 40,000 |
| Total | <u>\$ 3,437,250</u> | <u>\$ 3,437,250</u> |

Please note that the "Internal Balances" noted on the Statement of Net Position is not an interfund balance, but a representation over time that represents the amount of use the internal service fund allocates to the governmental and business type activities. There is also a capital interfund loan between the Public Works Operations Reserve fund (which combines with General Fund) and the Water fund in the amount of \$58,516, which the original amount was \$100,000 and has a term of 3 years, with .5% interest.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2016 are as follows:

| | General Fund | Street Construction Fund | Other Governmental Funds | Total |
|-----------------------------------|-------------------------|---|---|---------------------|
| Fund Balances: | | | | |
| <u>Nonspendable:</u> | | | | |
| Prepays | \$ 2,238 | \$ - | \$ - | \$ 2,238 |
| <u>Restricted:</u> | | | | |
| Street Storm Drainage Maintenance | - | - | 48,351 | 48,351 |
| System Development Charges | - | - | 285,065 | 285,065 |
| Debt Payments | - | - | 30,752 | 30,752 |
| | - | - | 364,168 | 364,168 |
| <u>Committed to:</u> | | | | |
| Street Construction | - | 95,842 | - | 95,842 |
| Tourism | - | - | 299,053 | 299,053 |
| Parks Capital Projects | - | - | 47,735 | 47,735 |
| | - | 95,842 | 346,788 | 442,630 |
| <u>Assigned to:</u> | | | | |
| General City | 347,718 | - | - | 347,718 |
| Library | - | - | 187 | 187 |
| Dial A Ride | - | - | 32,801 | 32,801 |
| Library Capital Projects | - | - | 13,233 | 13,233 |
| | 347,718 | - | 46,221 | 393,939 |
| Unassigned: | 1,564,557 | - | - | 1,564,557 |
| Total Fund Balances | <u>\$ 1,914,513</u> | <u>\$ 95,842</u> | <u>\$ 757,177</u> | <u>\$ 2,767,532</u> |

10. COMMITMENTS AND CONTINGENCIES

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel, the resolution of these matters will not have a material adverse cash effect of the financial condition of the government.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

| Year Ended June 30, | (a) Employer's proportion of the net pension liability (NPL) | (b) Employer's proportionate share of the net pension liability (NPL) | (c) covered payroll | (b/c) NPL as a percentage of covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|---------------------------|--|---|---------------------------|--|--|
| 2016 | 0.02 % | \$ 1,190,449 | \$ 2,268,510 | 52% | 91.9 % |
| 2015 | 0.02 | (385,502) | 2,224,914 | (17.0) | 103.6 |
| 2014 | 0.02 | 867,896 | 2,156,450 | 39.0 | 92.0 |

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

| | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | Employer's covered payroll | Contributions as a percent of covered payroll |
|------|---|---|--|----------------------------------|--|
| 2016 | \$ 154,896 | \$ 154,896 | \$ - | \$ 2,477,286 | 6.3 % |
| 2015 | 153,399 | 153,399 | - | 2,268,510 | 6.9 |
| 2014 | 159,387 | 159,387 | - | 2,224,914 | 7.4 |

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SUPPLEMENTARY INFORMATION

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016

| <u>GENERAL FUND</u> | | | | |
|--|----------------------------|-------------------------|---------------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Property Taxes | \$ 2,662,345 | \$ 2,662,345 | \$ 2,668,746 | \$ 6,401 |
| Franchise Fees | 401,000 | 401,000 | 423,377 | 22,377 |
| Licences, Permits and Fees | | - | 9,550 | 9,550 |
| Fines and Forfeitures | 85,000 | 85,000 | 111,378 | 26,378 |
| Charges for Services | 28,000 | 28,000 | 20,275 | (7,725) |
| Intergovernmental | 632,800 | 632,800 | 415,591 | (217,209) |
| Interest | 3,000 | 3,000 | 9,329 | 6,329 |
| Miscellaneous | 14,000 | 14,000 | 42,280 | 28,280 |
| Total Revenues | <u>3,826,145</u> | <u>3,826,145</u> | <u>3,700,526</u> | <u>(125,619)</u> |
| EXPENDITURES | | | | |
| City Manager's Office | 131,220 | 135,220 (1) | 131,812 | 3,408 |
| City Attorney | 143,500 | 143,500 (1) | 97,885 | 45,615 |
| Mayor & Council | 4,100 | 4,100 (1) | 1,223 | 2,877 |
| Non-Departmental | 238,550 | 238,550 (1) | 234,733 | 3,817 |
| City Recorder/HR | 188,979 | 188,979 (1) | 183,203 | 5,776 |
| Municipal Court | 184,039 | 184,039 (1) | 139,652 | 44,387 |
| Finance | 375,572 | 375,572 (1) | 322,430 | 53,142 |
| Planning | 253,714 | 253,714 (1) | 247,586 | 6,128 |
| Police | 1,935,897 | 1,935,897 (1) | 1,743,332 | 192,565 |
| Parks/Facilities | 324,422 | 324,422 (1) | 143,287 | 181,135 |
| Fire | 805,027 | 805,027 (1) | 709,941 | 95,086 |
| Contingency | 300,000 | 296,000 (1) | - | 296,000 |
| Total Expenditures | <u>4,885,020</u> | <u>4,885,020</u> | <u>3,955,084</u> | <u>538,850</u> |
| Excess of Revenues Over, (Under) Expenditures | (1,058,875) | (1,058,875) | (254,558) | 804,317 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | | - (1) | (273,000) | (273,000) |
| Transfers In | 942,600 | 942,600 | 924,250 | (18,350) |
| Net Change in Fund Balance | (116,275) | (116,275) | 396,692 | 512,967 |
| Beginning Fund Balance | <u>1,220,700</u> | <u>1,220,700</u> | <u>1,261,827</u> | <u>41,127</u> |
| Ending Fund Balance | <u>\$ 1,104,425</u> | <u>\$ 1,104,425</u> | <u>\$ 1,658,519</u> | <u>\$ 554,094</u> |
| Reconciliation to GAAP Fund Balance: | | | | |
| Ending Fund Balances | | | | |
| Bicycle / Footpath Fund | | | 5,020 | |
| Police Reserve | | | 114,854 | |
| Public Works Operations Reserve | | | 27,925 | |
| Public Works Operations Reserve - Interfund Loan | | | (58,516) | |
| Fire Reserve Fund | | | 60,160 | |
| Parks Facilities Reserve Fund | | | 106,551 | |
| | | | <u>\$ 1,914,513</u> | |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

STREET CONSTRUCTION FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|----------------------------|--------------------|-----------------|-----------|------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 200,000 | \$ 200,000 | \$ | \$ (200,000) |
| Interest | 550 | 550 | 591 | 41 |
| Miscellaneous | - | - | - | - |
| Total Revenues | 200,550 | 200,550 | 591 | (199,959) |
| EXPENDITURES | | | | |
| Capital Outlay | 200,000 | 200,000 (1) | 8,043 | 191,957 |
| Contingency | 117,350 | 117,350 (1) | - | 117,350 |
| Total Expenditures | 317,350 | 317,350 | 8,043 | 309,307 |
| Net Change in Fund Balance | (116,800) | (116,800) | (7,452) | 109,348 |
| Beginning Fund Balance | 116,800 | 116,800 | 103,294 | (13,506) |
| Ending Fund Balance | \$ - | \$ - | \$ 95,842 | \$ 95,842 |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

| <u>WATER OPERATIONS FUND</u> | | | | |
|--|----------------------------|-------------------------|---------------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Charges for Services | \$ 1,965,320 | \$ 1,965,320 | \$ 2,009,347 | \$ 44,027 |
| System Development Charges | 1,500 | 1,500 | 1,482 | (18) |
| Interest | 1,000 | 1,000 | 1,372 | 372 |
| Miscellaneous | - | - | 33,208 | 33,208 |
| Total Revenues | <u>1,967,820</u> | <u>1,967,820</u> | <u>2,045,409</u> | <u>77,589</u> |
| EXPENDITURES | | | | |
| Materials and Services | 382,650 | 382,650 (1) | 268,692 | 113,958 |
| Capital Outlay | 25,000 | 25,000 | 21,797 | 3,203 |
| Contingency | <u>119,470</u> | <u>119,470 (1)</u> | <u>-</u> | <u>119,470</u> |
| Total Expenditures | <u>527,120</u> | <u>527,120</u> | <u>290,489</u> | <u>119,470</u> |
| Excess of Revenues Over, (Under) Expenditures | <u>1,440,700</u> | <u>1,440,700</u> | <u>1,754,920</u> | <u>314,220</u> |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Interfund Loan | - | - | - | - |
| Transfers Out | <u>(1,633,100)</u> | <u>(1,633,100) (1)</u> | <u>(1,633,100)</u> | <u>-</u> |
| Total Other Financing Sources, (Uses) | <u>(1,633,100)</u> | <u>(1,633,100)</u> | <u>(1,633,100)</u> | <u>-</u> |
| Net Change in Fund Balance | (192,400) | (192,400) | 121,820 | 314,220 |
| Beginning Fund Balance | <u>192,400</u> | <u>192,400</u> | <u>110,644</u> | <u>(81,756)</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>232,464</u> | <u>\$ 232,464</u> |
| Reconciling Items: | | | | |
| Capital Assets, Net | | | 13,386,133 | |
| Deferred Revenue | | | 63,950 | |
| Accrued Interest | | | (67,005) | |
| Interfund Loan | | | 58,516 | |
| Long-Term Obligations | | | <u>(6,729,275)</u> | |
| Net Position | | | <u>\$ 6,944,783</u> | |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

WASTEWATER OPERATIONS FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|--------------------------------------|--------------------|-----------------|--------------|------------------------------------|
| REVENUES | | | | |
| Charges for Services | \$ 1,587,500 | \$ 1,587,500 | \$ 1,526,877 | \$ (60,623) |
| Interest | 1,500 | 1,500 | 991 | (509) |
| Miscellaneous | 10,000 | 10,000 | 2,650 | (7,350) |
| Total Revenues | 1,599,000 | 1,599,000 | 1,530,518 | (68,482) |
| EXPENDITURES | | | | |
| Materials and Services | 506,350 | 506,350 (1) | 449,878 | 56,472 |
| Capital Outlay | 25,000 | 25,000 (1) | 13,104 | 11,896 |
| Contingency | 228,850 | 228,850 (1) | - | 228,850 |
| Total Expenditures | 760,200 | 760,200 | 462,982 | 297,218 |
| Excess of Revenues over Expenditures | 838,800 | 838,800 | 1,067,536 | (365,700) |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | (1,154,500) | (1,154,500) (1) | (1,154,500) | - |
| Net Change in Fund Balance | (315,700) | (315,700) | (86,964) | (68,482) |
| Beginning Fund Balance | 315,700 | 315,700 | 359,634 | 43,934 |
| Ending Fund Balance | \$ - | \$ - | \$ 272,670 | \$ 272,670 |
| Reconciling Items: | | | | |
| Capital Assets, Net | | | 11,688,171 | |
| Deferred Revenue | | | 43,822 | |
| Long-Term Obligations | | | (3,446,654) | |
| Net Position | | | \$ 8,558,009 | |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

WATER CONSTRUCTION FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|--|--------------------|-----------------|------------|------------------------------------|
| REVENUES | | | | |
| System Development Charges | \$ 10,000 | \$ 10,000 | \$ 29,187 | \$ 19,187 |
| Intergovernmental | - | - | - | - |
| Interest | 750 | 750 | 2,389 | 1,639 |
| Total Revenues | 10,750 | 10,750 | 31,576 | 20,826 |
| EXPENDITURES | | | | |
| Capital Outlay | 428,000 | 428,000 (1) | 36,586 | 391,414 |
| Contingency | 43,750 | 43,750 (1) | - | 43,750 |
| Total Expenditures | 471,750 | 471,750 | 36,586 | 435,164 |
| Excess of Revenues Over, (Under) Expenditures | (461,000) | (461,000) | (5,010) | 455,990 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers In | 250,000 | 250,000 | 250,000 | - |
| Net Change in Fund Balance | (211,000) | (211,000) | 244,990 | 455,990 |
| Beginning Fund Balance | 211,000 | 211,000 | 294,313 | 83,313 |
| Ending Fund Balance | \$ - | \$ - | \$ 539,303 | \$ 539,303 |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

WASTEWATER CONSTRUCTION FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|--|--------------------|-----------------|------------|------------------------------------|
| REVENUES | | | | |
| System Development Charges | \$ 1,000 | \$ 1,000 | \$ 2,698 | \$ 1,698 |
| Charges for Services | | - | | - |
| Interest | 1,200 | 1,200 | 1,247 | 47 |
| Intergovernmental | - | - | | - |
| Miscellaneous | - | - | | - |
| Total Revenues | 2,200 | 2,200 | 3,945 | 1,745 |
| EXPENDITURES | | | | |
| Materials and Services | 10,000 | 10,000 (1) | 22,977 | (12,977) |
| Capital Outlay | 1,417,000 | 1,417,000 (1) | 534,382 | 882,618 |
| Contingency | 230,200 | 230,200 (1) | - | 230,200 |
| Total Expenditures | 1,657,200 | 1,657,200 | 557,359 | 1,099,841 |
| Excess of Revenues Over, (Under) Expenditures | (1,655,000) | (1,655,000) | (553,414) | 1,101,586 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | | - (1) | - | - |
| Loan Proceeds | 1,332,000 | 1,332,000 | 488,975 | (843,025) |
| Transfers In | 100,000 | 100,000 | 100,000 | - |
| Net Change in Fund Balance | (223,000) | (223,000) | 35,561 | 258,561 |
| Beginning Fund Balance | 223,000 | 223,000 | 221,740 | (1,260) |
| Ending Fund Balance | \$ - | \$ - | \$ 257,301 | \$ 257,301 |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016**

| | <u>STREET STORM DRAINAGE FUND</u> | <u>STREET SDC FUND</u> | <u>TOURISM MOTEL TAX</u> | <u>LIBRARY BOARD FUND</u> | <u>MAINSTREET PROGRAM FUND</u> |
|--|---|----------------------------|------------------------------|-----------------------------------|--|
| ASSETS | | | | | |
| Cash and Equivalents | \$ 12,506 | \$ 285,065 | \$ 281,143 | \$ 479 | \$ 13,233 |
| Prepays | - | - | - | - | - |
| Accounts Receivable | <u>41,811</u> | <u>-</u> | <u>27,378</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>\$ 54,317</u> | <u>\$ 285,065</u> | <u>\$ 308,521</u> | <u>\$ 479</u> | <u>\$ 13,233</u> |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 5,966 | \$ - | \$ 9,468 | \$ 291 | \$ - |
| Deferred Revenue | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>5,966</u> | <u>-</u> | <u>9,468</u> | <u>291</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Restricted | 48,351 | 285,065 | - | - | - |
| Committed | - | - | 299,053 | - | - |
| Assigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>188</u> | <u>13,233</u> |
| Total Fund Balances | <u>48,351</u> | <u>285,065</u> | <u>299,053</u> | <u>188</u> | <u>13,233</u> |
| Total Liabilities and Fund Balances | <u>\$ 54,317</u> | <u>\$ 285,065</u> | <u>\$ 308,521</u> | <u>\$ 479</u> | <u>\$ 13,233</u> |

| DIAL A RIDE FUND | CAPITAL PROJECTS FUNDS | | TOTAL |
|------------------------|----------------------------|-------------------------------|-------------------|
| | DEBT SERVICE FUNDS | PARKS CONSTRUCTION FUND | |
| | LIBRARY GO BOND FUND | | |
| \$ 16,588 | \$ 30,752 | \$ 47,735 | \$ 687,501 |
| | - | - | - |
| 22,273 | 6,006 | - | 97,468 |
| <u>\$ 38,861</u> | <u>\$ 36,758</u> | <u>\$ 47,735</u> | <u>\$ 784,969</u> |
| | | | |
| \$ 6,061 | \$ - | \$ - | \$ 21,786 |
| - | 6,006 | - | 6,006 |
| 6,061 | 6,006 | - | 27,792 |
| | | | |
| - | 30,752 | - | 364,168 |
| - | - | 47,735 | 346,788 |
| 32,800 | - | - | 46,221 |
| 32,800 | 30,752 | 47,735 | 757,177 |
| <u>\$ 38,861</u> | <u>\$ 36,758</u> | <u>\$ 47,735</u> | <u>\$ 784,969</u> |

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016**

| | STREET STORM DRAINAGE FUND | STREET SDC FUND | TOURISM MOTEL TAX | LIBRARY BOARD FUND | MAINSTREET PROGRAM FUND |
|--|----------------------------------|--------------------|----------------------|--------------------------|-------------------------------|
| REVENUES | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| System Development Charges | - | 26,368 | - | - | - |
| Assessments | - | - | 181,675 | - | - |
| Grants and Contributions | - | - | - | 5,419 | - |
| Intergovernmental | 602,097 | - | - | - | - |
| Interest | 299 | 1,519 | 1,454 | 15 | 75 |
| Miscellaneous | 2,766 | - | - | - | - |
| Total Revenues | <u>\$ 605,162</u> | <u>\$ 27,887</u> | <u>\$ 183,129</u> | <u>\$ 5,434</u> | <u>\$ 75</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Materials and Services | - | - | - | - | - |
| Culture and Recreation | - | - | - | 8,518 | - |
| Tourism | - | - | 79,705 | - | - |
| Highways and Streets | 141,729 | - | - | - | - |
| Capital Outlay | 228,646 | - | - | - | - |
| Debt Service | - | - | - | - | - |
| Total Expenditures | <u>370,375</u> | <u>-</u> | <u>79,705</u> | <u>8,518</u> | <u>-</u> |
| Excess of Revenues Over, (Under) Expenditures | 234,787 | 27,887 | 103,424 | (3,084) | 75 |
| OTHER FINANCING SOURCES, (USES) | | | | | |
| Interfund Loans | - | - | - | - | - |
| Transfers In | - | - | - | - | - |
| Transfers Out | (305,800) | - | (12,500) | - | - |
| Total Other Financing Sources, (Uses) | <u>(305,800)</u> | <u>-</u> | <u>(12,500)</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | (71,013) | 27,887 | 90,924 | (3,084) | 75 |
| BEGINNING FUND BALANCES | <u>119,364</u> | <u>257,178</u> | <u>208,129</u> | <u>3,272</u> | <u>13,158</u> |
| ENDING FUND BALANCES | <u>\$ 48,351</u> | <u>\$ 285,065</u> | <u>\$ 299,053</u> | <u>\$ 188</u> | <u>\$ 13,233</u> |

| DIAL A RIDE FUND | CAPITAL | | TOTAL |
|------------------------|----------------------------|-------------------------------|-------------------|
| | DEBT SERVICE FUNDS | PROJECTS FUNDS | |
| | LIBRARY GO BOND FUND | PARKS CONSTRUCTION FUND | |
| \$ - | \$ 51,000 | \$ - | \$ 51,000 |
| - | - | 9,000 | 35,368 |
| - | - | - | 181,675 |
| 89,198 | - | - | 94,617 |
| - | - | - | 602,097 |
| 147 | 216 | 169 | 3,894 |
| 5,983 | - | - | 8,749 |
| <u>\$ 95,328</u> | <u>\$ 51,216</u> | <u>\$ 9,169</u> | <u>\$ 977,400</u> |
| - | - | - | - |
| 95,498 | - | - | 104,016 |
| - | - | - | 79,705 |
| - | - | - | 141,729 |
| - | - | - | 228,646 |
| - | 61,356 | - | 61,356 |
| <u>95,498</u> | <u>61,356</u> | <u>-</u> | <u>615,452</u> |
| (170) | (10,140) | 9,169 | 361,948 |
| - | - | - | - |
| - | - | 25,000 | 25,000 |
| (18,350) | - | - | (336,650) |
| <u>(18,350)</u> | <u>-</u> | <u>25,000</u> | <u>(311,650)</u> |
| (18,520) | (10,140) | 34,169 | 50,298 |
| 51,320 | 40,892 | 13,566 | 706,879 |
| <u>\$ 32,800</u> | <u>\$ 30,752</u> | <u>\$ 47,735</u> | <u>\$ 757,177</u> |

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

| | <u>STREET / STORM DRAINAGE</u> | | | |
|--|--------------------------------|-------------------------|------------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Intergovernmental | \$ 599,000 | \$ 599,000 | \$ 602,097 | \$ 3,097 |
| Miscellaneous | - | - | 2,766 | 2,766 |
| Interest | 450 | 450 | 299 | (151) |
| Total Revenues | <u>599,450</u> | <u>599,450</u> | <u>605,162</u> | <u>5,712</u> |
| EXPENDITURES | | | | |
| Materials and Services | 147,750 | 147,750 (1) | 141,729 | 6,021 |
| Capital Outlay | 233,000 | 233,000 (1) | 228,646 | 4,354 |
| Contingency | 13,900 | 13,900 (1) | - | 13,900 |
| Total Expenditures | <u>394,650</u> | <u>394,650</u> | <u>370,375</u> | <u>24,275</u> |
| Excess of Revenues Over, (Under) Expenditures | 204,800 | 204,800 | 234,787 | 29,987 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | <u>(305,800)</u> | <u>(305,800) (1)</u> | <u>(305,800)</u> | <u>-</u> |
| Net Change in Fund Balance | (101,000) | (101,000) | (71,013) | 29,987 |
| Beginning Fund Balance | <u>101,000</u> | <u>101,000</u> | <u>119,364</u> | <u>18,364</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 48,351</u> | <u>\$ 48,351</u> |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

STREET SDC SPECIAL REVENUE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|--|--------------------|-----------------|------------|------------------------------------|
| REVENUES | | | | |
| System Development Charges | \$ 10,000 | \$ 10,000 | \$ 26,368 | \$ 16,368 |
| Interest | 1,000 | 1,000 | 1,519 | 519 |
| Total Revenues | 11,000 | 11,000 | 27,887 | 16,887 |
| EXPENDITURES | | | | |
| Contingency | 243,300 | 243,300 (1) | - | 243,300 |
| Total Expenditures | 243,300 | 243,300 | - | 243,300 |
| Excess of Revenues Over, (Under) Expenditures | (232,300) | (232,300) | 27,887 | 260,187 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | | - (1) | | - |
| Transfers In | | - | - | - |
| Net Change in Fund Balance | (232,300) | (232,300) | 27,887 | 260,187 |
| Beginning Fund Balance | 232,300 | 232,300 | 257,178 | 24,878 |
| Ending Fund Balance | \$ - | \$ - | \$ 285,065 | \$ 285,065 |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

| <u>TOURISM - MOTEL TAX FUND</u> | | | | |
|--|----------------------------|-------------------------|-------------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Assessments | \$ 145,000 | \$ 145,000 | \$ 181,675 | \$ 36,675 |
| Interest | 750 | 750 | 1,454 | 704 |
| Miscellaneous | - | - | - | - |
| Total Revenues | <u>145,750</u> | <u>145,750</u> | <u>183,129</u> | <u>37,379</u> |
| EXPENDITURES | | | | |
| Materials and Services | 79,705 | 79,705 (1) | 79,705 | - |
| Capital Outlay | - | - (1) | - | - |
| Contingency | 241,545 | 241,545 (1) | - | 241,545 |
| Total Expenditures | <u>321,250</u> | <u>321,250</u> | <u>79,705</u> | <u>241,545</u> |
| Excess of Revenues Over, (Under) Expenditures | (175,500) | (175,500) | 103,424 | 278,924 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | <u>(12,500)</u> | <u>(12,500) (1)</u> | <u>(12,500)</u> | <u>-</u> |
| Net Change in Fund Balance | (188,000) | (188,000) | 90,924 | 278,924 |
| Beginning Fund Balance | <u>188,000</u> | <u>188,000</u> | <u>208,129</u> | <u>20,129</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 299,053</u> | <u>\$ 299,053</u> |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

| | <u>LIBRARY BOARD FUND</u> | | | |
|----------------------------|----------------------------|-------------------------|---------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Grants and Contributions | \$ 250 | \$ 5,550 | \$ 5,419 | \$ (131) |
| Interest | | - | 15 | 15 |
| Total Revenues | <u>250</u> | <u>5,550</u> | <u>5,434</u> | <u>(116)</u> |
| EXPENDITURES | | | | |
| Materials and Services | 3,450 | 3,450 (1) | 3,447 | 3 |
| Capital Outlay | <u>-</u> | <u>5,300 (1)</u> | <u>5,071</u> | <u>229</u> |
| Total Expenditures | <u>3,450</u> | <u>8,750</u> | <u>8,518</u> | <u>232</u> |
| Net Change in Fund Balance | (3,200) | (3,200) | (3,084) | 116 |
| Beginning Fund Balance | <u>3,200</u> | <u>3,200</u> | <u>3,272</u> | <u>72</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 188</u> | <u>\$ 188</u> |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

MAINSTREET PROGRAM FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|----------------------------|--------------------|-----------------|-----------|------------------------------------|
| REVENUES | | | | |
| Grants and Contributions | \$ - | \$ - | \$ - | \$ - |
| Interest | 60 | 60 | 75 | 15 |
| Total Revenues | 60 | 60 | 75 | 15 |
| EXPENDITURES | | | | |
| Materials and Services | 13,160 | 13,160 (1) | - | 13,160 |
| Contingency | | - (1) | - | - |
| Total Expenditures | 13,160 | 13,160 | - | 13,160 |
| Net Change in Fund Balance | (13,100) | (13,100) | 75 | 13,175 |
| Beginning Fund Balance | 13,100 | 13,100 | 13,158 | 58 |
| Ending Fund Balance | \$ - | \$ - | \$ 13,233 | \$ 13,233 |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

| <u>DIAL-A-RIDE FUND</u> | | | | |
|--|----------------------------|-------------------------|------------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Grants and Contributions | \$ 89,093 | \$ 89,093 | \$ 89,198 | \$ 105 |
| Miscellaneous | 5,800 | 5,800 | 5,983 | 183 |
| Interest | 100 | 100 | 147 | 47 |
| Total Revenues | <u>94,993</u> | <u>94,993</u> | <u>95,328</u> | <u>335</u> |
| EXPENDITURES | | | | |
| Materials and Services | 76,371 | 101,371 (1) | 95,498 | 5,873 |
| Capital Outlay | - | - (1) | - | - |
| Contingency | 18,722 | 12,072 (1) | - | 12,072 |
| Total Expenditures | <u>95,093</u> | <u>113,443</u> | <u>95,498</u> | <u>17,945</u> |
| Excess of Revenues Over, (Under) Expenditures | (100) | (18,450) | (170) | 18,280 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | <u>(36,700)</u> | <u>(18,350) (1)</u> | <u>(18,350)</u> | <u>-</u> |
| Net Change in Fund Balance | (36,800) | (36,800) | (18,520) | 18,280 |
| Beginning Fund Balance | <u>36,800</u> | <u>36,800</u> | <u>51,320</u> | <u>14,520</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 32,800</u> | <u>\$ 32,800</u> |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

| | <u>LIBRARY GO BOND FUND</u> | | | |
|----------------------------|-----------------------------|-------------------------|------------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Property Taxes | \$ 51,000 | \$ 51,000 | \$ 51,000 | \$ - |
| Interest | 220 | 220 | 216 | (4) |
| Total Revenues | <u>51,220</u> | <u>51,220</u> | <u>51,216</u> | <u>(4)</u> |
| EXPENDITURES | | | | |
| Debt Service | <u>61,357</u> | <u>61,357</u> (1) | <u>61,356</u> | <u>1</u> |
| Total Expenditures | <u>61,357</u> | <u>61,357</u> | <u>61,356</u> | <u>1</u> |
| Net Change in Fund Balance | (10,137) | (10,137) | (10,140) | (3) |
| Beginning Fund Balance | <u>41,500</u> | <u>41,500</u> | <u>40,892</u> | <u>(608)</u> |
| Ending Fund Balance | <u>\$ 31,363</u> | <u>\$ 31,363</u> | <u>\$ 30,752</u> | <u>\$ (611)</u> |

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016

| <u>PARKS CONSTRUCTION FUND</u> | | | | |
|--|----------------------------|-------------------------|------------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| System Development Charges | \$ 3,000 | \$ 3,000 | \$ 9,000 | \$ 6,000 |
| Grants and Contributions | - | - | - | - |
| Intergovernmental | 100,000 | 100,000 | - | (100,000) |
| Interest | 190 | 190 | 169 | (21) |
| Total Revenues | <u>103,190</u> | <u>103,190</u> | <u>9,169</u> | <u>(94,021)</u> |
| EXPENDITURES | | | | |
| Capital Outlay | 85,000 | 85,000 (1) | | 85,000 |
| Contingency | <u>113,290</u> | <u>113,290 (1)</u> | <u>-</u> | <u>113,290</u> |
| Total Expenditures | <u>198,290</u> | <u>198,290</u> | <u>-</u> | <u>198,290</u> |
| Excess of Revenues Over, (Under) Expenditures | (95,100) | (95,100) | 9,169 | 104,269 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | - | - (1) | - | - |
| Transfers In | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> | <u>-</u> |
| Net Change in Fund Balance | (70,100) | (70,100) | 34,169 | 104,269 |
| Beginning Fund Balance | <u>70,100</u> | <u>70,100</u> | <u>13,566</u> | <u>(56,534)</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 47,735</u> | <u>\$ 47,735</u> |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

| <u>BICYCLE FOOTPATH FUND</u> | | | | |
|--|----------------------------|-------------------------|-----------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Intergovernmental | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ - |
| Interest | 50 | 50 | 4 | (46) |
| Total Revenues | <u>5,050</u> | <u>5,050</u> | <u>5,004</u> | <u>(46)</u> |
| EXPENDITURES | | | | |
| Capital Outlay | - | - (1) | - | - |
| Contingency | <u>5,050</u> | <u>5,050 (1)</u> | <u>-</u> | <u>5,050</u> |
| Total Expenditures | <u>5,050</u> | <u>5,050</u> | <u>-</u> | <u>5,050</u> |
| Excess of Revenues Over, (Under) Expenditures | - | - | 5,004 | 5,004 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 5,004 | 5,004 |
| Beginning Fund Balance | <u>-</u> | <u>-</u> | <u>16</u> | <u>16</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,020</u> | <u>\$ 5,020</u> |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

| | <u>POLICE RESERVE FUND</u> | | | |
|--|----------------------------|-------------------------|-------------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Interest | 40 | 40 | 453 | |
| Miscellaneous | - | - | - | - |
| Total Revenues | <u>40</u> | <u>40</u> | <u>453</u> | <u>413</u> |
| EXPENDITURES | | | | |
| Capital Outlay | | - (1) | - | - |
| Contingency | <u>114,340</u> | <u>114,340</u> (1) | <u>-</u> | <u>114,340</u> |
| Total Expenditures | <u>114,340</u> | <u>114,340</u> | <u>-</u> | <u>114,340</u> |
| Excess of Revenues Over, (Under) Expenditures | (114,300) | (114,300) | 453 | 114,753 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers In | <u>65,000</u> | <u>65,000</u> | <u>65,000</u> | <u>-</u> |
| Net Change in Fund Balance | (49,300) | (49,300) | 65,453 | 114,753 |
| Beginning Fund Balance | <u>49,300</u> | <u>49,300</u> | <u>49,401</u> | <u>101</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 114,854</u> | <u>\$ 114,854</u> |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

| | <u>FIRE RESERVE FUND</u> | | | |
|--|----------------------------|-------------------------|------------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ | \$ - |
| Interest | 30 | 30 | 160 | |
| Miscellaneous | - | - | | - |
| Total Revenues | 30 | 30 | 160 | 130 |
| EXPENDITURES | | | | |
| Capital Outlay | | - (1) | | - |
| Contingency | 60,030 | 60,030 (1) | - | 60,030 |
| Total Expenditures | 60,030 | 60,030 | - | 60,030 |
| Excess of Revenues Over, (Under) Expenditures | (60,000) | (60,000) | 160 | 60,160 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers In | 60,000 | 60,000 | 60,000 | - |
| Net Change in Fund Balance | - | - | 60,160 | 60,160 |
| Beginning Fund Balance | - | - | - | - |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 60,160</u> | <u>\$ 60,160</u> |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

PUBLIC WORKS OPERATIONS RESERVE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|--|--------------------|-----------------|-----------|------------------------------------|
| REVENUES | | | | |
| Interest | \$ 120 | \$ 120 | \$ 126 | \$ 6 |
| Total Revenues | 120 | 120 | 126 | 6 |
| EXPENDITURES | | | | |
| Debt Service | 33,600 | 33,600 (1) | 33,591 | 9 |
| Capital Outlay | - | - (1) | - | - |
| Contingency | 32,520 | 32,520 (1) | - | 32,520 |
| Total Expenditures | 66,120 | 66,120 | 33,591 | 32,529 |
| Excess of Revenues Over, (Under) Expenditures | (66,000) | (66,000) | (33,465) | 32,535 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Capital Lease Proceeds | - | - | - | - |
| Surplus Property Sales | - | - | - | - |
| Transfers In | 40,000 | 40,000 | 40,000 | - |
| Net Change in Fund Balance | (26,000) | (26,000) | 6,535 | 32,535 |
| Beginning Fund Balance | 26,000 | 26,000 | 21,390 | (4,610) |
| Ending Fund Balance | \$ - | \$ - | \$ 27,925 | \$ 27,925 |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

PARKS/FACILITIES RESERVE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|--|--------------------|-----------------|------------|------------------------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ - | \$ 540 | \$ 540 |
| Total Revenues | - | - | 540 | 540 |
| EXPENDITURES | | | | |
| Capital Outlay | - | - (1) | | - |
| Contingency | 105,500 | 105,500 (1) | - | 105,500 |
| Total Expenditures | 105,500 | 105,500 | - | 105,500 |
| Excess of Revenues Over, (Under) Expenditures | (105,500) | (105,500) | 540 | 106,040 |
| OTHER FINANCING SOURCES, (USES) Transfers In | 20,000 | 20,000 | 20,000 | - |
| Net Change in Fund Balance | (85,500) | (85,500) | 20,540 | 106,040 |
| Beginning Fund Balance | 85,500 | 85,500 | 86,011 | 511 |
| Ending Fund Balance | \$ - | \$ - | \$ 106,551 | \$ 106,551 |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF NET POSITION -
NONMAJOR ENTERPRISE FUNDS
June 30, 2016**

| | WATER RESERVE FUND | WASTEWATER RESERVE FUND | KNOLLS ESTATE STEP SURCHARGE FUND |
|---------------------------------------|-----------------------------|-------------------------------|---|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 371,869 | \$ 68,638 | \$ 24,809 |
| Accounts Receivable | - | - | - |
| Prepays | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 371,869</u> | <u>\$ 68,638</u> | <u>\$ 24,809</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | - | - | 1,011 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>1,011</u> |
| NET POSITION | | | |
| Restricted for Bond Covenant | \$ - | \$ - | \$ - |
| Restricted for Debt Service | - | - | - |
| Restricted for Capital Projects | - | - | - |
| Unrestricted | 371,869 | 68,638 | 23,798 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Net Position | <u>371,869</u> | <u>68,638</u> | <u>23,798</u> |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities and Net Position | <u>\$ 371,869</u> | <u>\$ 68,638</u> | <u>\$ 24,809</u> |

| WATER DEBT SERVICE FUND | WASTEWATER DEBT SERVICE FUND | TOTAL |
|-------------------------------|------------------------------------|---------------------|
| \$ 179,523 | \$ 121,566 | \$ 766,405 |
| - | 321,495 | 321,495 |
| 33,187 | - | 33,187 |
| <u>\$ 212,710</u> | <u>\$ 443,061</u> | <u>\$ 1,121,087</u> |
| - | - | 1,011 |
| - | - | 1,011 |
| \$ 195,724 | \$ - | \$ 195,724 |
| 16,986 | - | 16,986 |
| - | 443,061 | 443,061 |
| - | - | 464,305 |
| <u>212,710</u> | <u>443,061</u> | <u>1,120,076</u> |
| <u>\$ 212,710</u> | <u>\$ 443,061</u> | <u>\$ 1,121,087</u> |

-

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2016**

| | <u>WATER RESERVE FUND</u> | <u>WASTEWATER RESERVE FUND</u> | <u>KNOLLS ESTATE STEP SURCHARGE FUND</u> |
|---|-----------------------------------|--|--|
| OPERATING REVENUES | | | |
| Charges for Services | \$ - | \$ - | \$ 15,699 |
| OPERATING EXPENSES | | | |
| Materials and Services | <u>-</u> | <u>-</u> | <u>14,219</u> |
| Operating income (loss) | - | - | 1,480 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest | 1,952 | 344 | 132 |
| Interest Expense | - | - | - |
| Debt Proceeds | - | - | - |
| Transfers In | 50,000 | 15,000 | - |
| Miscellaneous | - | - | - |
| SDC's | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Nonoperating Revenues (Expenses) | <u>51,952</u> | <u>15,344</u> | <u>132</u> |
| Change in Net Position | 51,952 | 15,344 | 1,612 |
| Beginning Net Position | <u>319,917</u> | <u>53,294</u> | <u>22,186</u> |
| Ending Net Position | <u>\$ 371,869</u> | <u>\$ 68,638</u> | <u>\$ 23,798</u> |

| WATER DEBT SERVICE FUND | WASTEWATER DEBT SERVICE FUND | TOTAL |
|------------------------------------|------------------------------------|------------------------------------|
| <u> </u> | <u> </u> | <u> </u> |
| \$ - | \$ - | \$ 15,699 |
| - | - | 14,219 |
| <u> </u> | <u> </u> | <u> </u> |
| - | - | 1,480 |
| 682 | 9,962 | 13,072 |
| (413,452) | (226,283) | (639,735) |
| - | - | - |
| 425,000 | 240,000 | 730,000 |
| - | - | - |
| - | - | - |
| <u> </u> | <u> </u> | <u> </u> |
| 12,230 | 23,679 | 103,337 |
| <u> </u> | <u> </u> | <u> </u> |
| 12,230 | 23,679 | 104,817 |
| 200,480 | 419,382 | 1,015,259 |
| <u> </u> | <u> </u> | <u> </u> |
| \$ 212,710 | \$ 443,061 | \$ 1,120,076 |
| <u><u> </u></u> | <u><u> </u></u> | <u><u> </u></u> |

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2016**

| | WATER RESERVE FUND | WASTEWATER RESERVE FUND | KNOLLS ESTATE STEP SURCHARGE FUND |
|--|--------------------------|-------------------------------|---|
| Cash Flows from Operating Activities: | | | |
| Cash from Customers | - | - | 15,699 |
| Cash paid to Suppliers | - | | (13,208) |
| Cash flow from Operations | - | - | 2,491 |
| Cash Flows from Investing Activities: | | | |
| Earnings on Investments and Other | 1,952 | 344 | 132 |
| Cash Flows from Noncapital Financing Activities: | | | |
| Miscellaneous | - | | - |
| Transfers | 50,000 | 15,000 | - |
| Cash flow from Noncapital Financing | 50,000 | 15,000 | - |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Debt Proceeds | | | |
| Payments on long term debt | | | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | 51,952 | 15,344 | 2,623 |
| Cash and Cash Equivalents, Beginning | 319,917 | 53,294 | 22,186 |
| Cash and Cash Equivalents, Ending | 371,869 | 68,638 | 24,809 |
| Reconciliation of Operating Income to | | | |
| Net Cash Provided by Operating Activities | | | |
| Operating Income, (Loss) | - | - | 1,480 |
| Noncash Items Included in Income: | | | |
| (Increase), Decrease in Assets | - | - | - |
| Increase (Decrease) in Accounts Payable and Accrued Liabilities | - | - | 1,011 |
| Net Cash Provided (Used) by Operating Activities | - | - | 2,491 |

| WATER DEBT SERVICE FUND | WASTEWATER DEBT SERVICE FUND | TOTAL |
|-------------------------------|------------------------------------|-----------|
| 2,101 | 39,060 | 56,860 |
| - | - | (13,208) |
| 2,101 | 39,060 | 43,652 |
| 682 | 9,962 | 13,072 |
| - | - | - |
| 425,000 | 240,000 | 730,000 |
| 425,000 | 240,000 | 730,000 |
| - | - | - |
| (413,452) | (226,283) | (639,735) |
| 14,331 | 62,739 | 146,989 |
| 165,192 | 58,827 | 619,416 |
| - | - | - |
| 179,523 | 121,566 | 766,405 |
| - | - | 1,480 |
| 2,101 | 39,060 | 41,161 |
| - | - | - |
| - | - | 1,011 |
| 2,101 | 39,060 | 43,652 |

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

| <u>WATER RESERVE FUND</u> <u>A NONMAJOR ENTERPRISE FUND</u> | | | | |
|--|----------------------------|-------------------------|---------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Interest | \$ 1,100 | \$ 1,100 | \$ 1,952 | \$ 852 |
| Total Revenues | 1,100 | 1,100 | 1,952 | 852 |
| EXPENDITURES | | | | |
| Capital Outlay | | - (1) | | - |
| Contingency | 270,800 | 270,800 (1) | - | 270,800 |
| Total Expenditures | 270,800 | 270,800 | - | 270,800 |
| Excess of Revenues Over, (Under) Expenditures | (269,700) | (269,700) | 1,952 | 271,652 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers In | 50,000 | 50,000 | 50,000 | - |
| Net Change in Fund Balance | (219,700) | (219,700) | 51,952 | 271,652 |
| Beginning Fund Balance | 219,700 | 219,700 | 319,917 | 100,217 |
| Ending Fund Balance | \$ - | \$ - | \$ 371,869 | \$ 371,869 |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

PUBLIC WORKS WASTEWATER RESERVE FUND
A NONMAJOR ENTERPRISE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|--|--------------------|-----------------|-----------|------------------------------------|
| REVENUES | | | | |
| Interest | \$ 190 | \$ 190 | \$ 344 | \$ 154 |
| Total Revenues | 190 | 190 | 344 | 154 |
| EXPENDITURES | | | | |
| Capital Outlay | - | - (1) | - | - |
| Contingency | 68,390 | 68,390 (1) | - | 68,390 |
| Total Expenditures | 68,390 | 68,390 | - | 68,390 |
| Excess of Revenues Over, (Under) Expenditures | (68,200) | (68,200) | 344 | 68,544 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers In | 15,000 | 15,000 | 15,000 | - |
| Net Change in Fund Balance | (53,200) | (53,200) | 15,344 | 68,544 |
| Beginning Fund Balance | 53,200 | 53,200 | 53,294 | 94 |
| Ending Fund Balance | \$ - | \$ - | \$ 68,638 | \$ 68,638 |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

KNOLLS ESTATE STEP SURCHARGE FUND
A NONMAJOR ENTERPRISE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|----------------------------|--------------------|-----------------|-----------|------------------------------------|
| REVENUES | | | | |
| Charges for Services | \$ 15,000 | \$ 15,000 | \$ 15,699 | \$ 699 |
| Interest | 90 | 90 | 132 | 42 |
| Total Revenues | 15,090 | 15,090 | 15,831 | 741 |
| EXPENDITURES | | | | |
| Materials and Services | 14,500 | 16,500 (1) | 14,219 | 2,281 |
| Contingency | 21,190 | 19,190 (1) | - | 19,190 |
| Total Expenditures | 35,690 | 35,690 | 14,219 | 21,471 |
| Net Change in Fund Balance | (20,600) | (20,600) | 1,612 | 22,212 |
| Beginning Fund Balance | 20,600 | 20,600 | 22,186 | 1,586 |
| Ending Fund Balance | \$ - | \$ - | \$ 23,798 | \$ 23,798 |

(1) Appropriation Level

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016

| | <u>WATER DEBT SERVICE FUND</u> <u>A NONMAJOR ENTERPRISE FUND</u> | | | |
|--|---|-------------------------|-------------------|---|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE POSITIVE (NEGATIVE)</u> |
| REVENUES | | | | |
| Interest | \$ 750 | \$ 750 | \$ 682 | \$ (68) |
| Total Revenues | 750 | 750 | 682 | (68) |
| EXPENDITURES | | | | |
| Debt Service | 413,454 | 413,454 (1) | 413,452 | 2 |
| Contingency | 3,021 | 3,021 (1) | - | 3,021 |
| Total Expenditures | 416,475 | 416,475 | 413,452 | 3,023 |
| Excess of Revenues Over, (Under) Expenditures | (415,725) | (415,725) | (412,770) | 2,955 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | | - (1) | - | - |
| Transfers In | 425,000 | 425,000 | 425,000 | - |
| Net Change in Fund Balance | 9,275 | 9,275 | 12,230 | 2,955 |
| Beginning Fund Balance | 200,500 | 200,500 | 200,480 | (20) |
| Ending Fund Balance | <u>\$ 209,775</u> | <u>\$ 209,775</u> | <u>\$ 212,710</u> | <u>\$ 2,935</u> |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

WASTEWATER DEBT SERVICE FUND
A NONMAJOR ENTERPRISE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|--|--------------------|-----------------|------------|------------------------------------|
| REVENUES | | | | |
| Assessments | \$ 39,000 | \$ 39,000 | \$ 39,000 | \$ - |
| Interest | 9,645 | 9,645 | 10,022 | 377 |
| Total Revenues | 48,645 | 48,645 | 49,022 | 377 |
| EXPENDITURES | | | | |
| Debt Service | 241,285 | 241,285 (1) | 226,283 | 15,002 |
| Contingency | 110,560 | 110,560 (1) | - | 110,560 |
| Total Expenditures | 351,845 | 351,845 | 226,283 | 125,562 |
| Excess of Revenues Over, (Under) Expenditures | (303,200) | (303,200) | (177,261) | 125,939 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers In | 240,000 | 240,000 | 240,000 | - |
| Net Change in Fund Balance | (63,200) | (63,200) | 62,739 | 125,939 |
| Beginning Fund Balance | 63,200 | 63,200 | 58,827 | (4,373) |
| Ending Fund Balance | \$ - | \$ - | \$ 121,566 | \$ 121,566 |

Reconciliation to GAAP:

Deferred Revenue \$ 321,495

GAAP Net Position \$ 443,061

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2016**

PUBLIC WORKS OPERATIONS FUND - INTERNAL SERVICE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|--|--------------------|------------------|--------------|------------------------------------|
| REVENUES | | | | |
| Earnings on Investments | \$ 100 | \$ 100 | \$ 949 | \$ 849 |
| Miscellaneous | - | - | 11,660 | 11,660 |
| Total Revenues | 100 | 100 | 12,609 | 12,509 |
| EXPENDITURES | | | | |
| Personnel | \$ 1,111,211 | \$ 1,111,211 (1) | \$ 1,057,673 | \$ 53,538 |
| Materials and Services | 71,500 | 71,500 (1) | 54,888 | 16,612 |
| Contingency | 21,389 | 21,389 (1) | - | 21,389 |
| Total Expenditures | 1,204,100 | 1,204,100 | 1,112,561 | 91,539 |
| Excess of Revenues Over, (Under) Expenditures | (1,204,000) | (1,204,000) | (1,099,952) | 104,048 |
| OTHER FINANCING SOURCES, (USES) | | | | |
| Transfers Out | (40,000) | (40,000) (1) | (40,000) | - |
| Transfers In | 1,223,000 | 1,223,000 | 1,223,000 | - |
| Net Change in Fund Balance | (21,000) | (21,000) | 83,048 | 104,048 |
| Beginning Fund Balance | 21,000 | 21,000 | 31,600 | 10,600 |
| Ending Fund Balance | \$ - | \$ - | \$ 114,648 | \$ 114,648 |

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
For the Year Ended June 30, 2016**

| | Balance at June 30, 2015 | Additions | Deductions | Balance at June 30, 2016 |
|---------------------------|-----------------------------|-------------------|-------------------|-----------------------------|
| Municipal Court | | | | |
| Assets | | | | |
| Cash | \$ 9,976 | \$ 7,778 | \$ 9,976 | \$ 7,778 |
| Accounts Receivable | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 9,976</u> | <u>\$ 7,778</u> | <u>\$ 9,976</u> | <u>\$ 7,778</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 5,429 | \$ 8,508 | \$ 5,429 | \$ 8,508 |
| Amounts held in trust | 4,547 | (730) | 4,547 | (730) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>\$ 9,976</u> | <u>\$ 7,778</u> | <u>\$ 9,976</u> | <u>\$ 7,778</u> |
| Total Agency Funds | | | | |
| Assets | | | | |
| Cash | \$ 9,976 | \$ 7,778 | \$ 9,976 | \$ 7,778 |
| Accounts Receivable | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 9,976</u> | <u>\$ 7,778</u> | <u>\$ 9,976</u> | <u>\$ 7,778</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 5,429 | \$ 8,508 | \$ 5,429 | \$ 8,508 |
| Amounts held in trust | 4,547 | (730) | 4,547 | (730) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>\$ 9,976</u> | <u>\$ 7,778</u> | <u>\$ 9,976</u> | <u>\$ 7,778</u> |

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2016**

| <u>TAX YEAR</u> | <u>IMPOSED LEVY OR UNCOL- LECTED AT 7-1-15</u> | <u>DEDUCT DISCOUNTS</u> | <u>ADJUST- MENTS TO ROLLS</u> | <u>INTEREST</u> | <u>CASH COLLEC- TIONS BY COUNTY TREAS- URER</u> | <u>BALANCE UNCOL- LECTED OR UNSEG- REGATED AT 6-30-16</u> |
|---------------------|--|-----------------------------|---|-------------------------|---|---|
| CURRENT: | | | | | | |
| 2015-2016 | <u>\$ 2,784,758</u> | <u>\$ 69,088</u> | <u>\$ (18,694)</u> | <u>\$ 1,573</u> | <u>\$ 2,587,529</u> | <u>\$ 111,020</u> |
| PRIOR YEARS: | | | | | | |
| 2014-2015 | 118,671 | (16) | (4,860) | 4,017 | 50,794 | 67,050 |
| 2013-2014 | 69,933 | (16) | (5,723) | 4,672 | 23,860 | 45,038 |
| 2012-2013 | 49,130 | (11) | (7,854) | 7,028 | 23,080 | 25,235 |
| 2011-2012 | 27,091 | (4) | (5,983) | 5,673 | 15,339 | 11,446 |
| Prior | <u>21,548</u> | <u>(4)</u> | <u>(2,315)</u> | <u>1,782</u> | <u>2,754</u> | <u>18,265</u> |
| Total Prior | <u>286,373</u> | <u>(51)</u> | <u>(26,735)</u> | <u>23,172</u> | <u>115,827</u> | <u>167,034</u> |
| Total | <u><u>\$ 3,071,131</u></u> | <u><u>\$ 69,037</u></u> | <u><u>\$ (45,429)</u></u> | <u><u>\$ 24,745</u></u> | <u><u>\$ 2,703,356</u></u> | <u><u>\$ 278,054</u></u> |

RECONCILIATION OF REVENUE:

| | <u>GENERAL FUND</u> |
|--|----------------------------|
| Cash Collections by County Treasurer Above | \$ 2,703,356 |
| Accrual of Receivables: | |
| Other | 21,128 |
| June 30, 2015 | (19,686) |
| June 30, 2016 | <u>14,948</u> |
| Total Revenue | <u><u>\$ 2,719,746</u></u> |

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

**INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS**



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

October 20, 2016

Independent Auditors' Report Required by Oregon State Requirements

We have audited the basic financial statements of the City of Sutherlin as of and for the year ended June 30, 2016, and have issued our report thereon dated October 20, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Highway revenues used for public highways, roads, and streets.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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

OAR 162-10-0230 Internal Control

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

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

A black rectangular redaction box covering a signature. A pen is visible above the box, and a horizontal line extends from the right side of the box.

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

**OPOA FIRST RESPONDERS
OF DOUGLAS COUNTY
CRITICAL INCIDENT RESPONSE AWARD**

This certificate is awarded to


Sutherlin Police Department



The City of Sutherlin wishes to thank and acknowledge the vital role members of the Sutherlin Police Department played as the result of the tragic critical incident that occurred on October 1, 2015, at Umpqua Community College. The community appreciates your bravery, professionalism, and dedication. Further, we value the high quality public safety services we receive in this community.


Todd McKnight, Mayor

11-2-16
Date


Jerry Gillham, City Manager

11/2/16
Date



COUNCIL BUSINESS





LIBRARY USE DISCUSSION



Mr Mc Knight

October 20, 2016

An Open Letter of Concern to the Mayor, City Council and City Administration of Sutherlin:

The Sutherlin Public Library building should continue as our library building, whether or not the library tax district passes. There are few places in Sutherlin like our library, where people of all ages gather for educational, job-oriented, cultural enrichment or recreational purposes. Our library with its modern building is a multi-generational, huge asset to our community.

Though we understand Sutherlin residents cannot vote for or against the tax district on November 8th, we do not want to see the library close.

We are concerned that the City of Sutherlin may be tempted to change the use of our library building to other purposes. In 2007, donors (foundations, businesses and individuals) gave their money to expand, furnish and otherwise improve our former Sutherlin *library building*, to enable it to become the gem we enjoy now. Citizens agreed to building obligation bonds for the purpose of an improved *library building*, and we are told the City continues to pay \$66,000 a year toward this obligation.

The former library building was remodeled to better fit the needs of a modern, community library. If the contents (the materials collection and computers are owned by the County but perhaps a contractual arrangement between the City and the County could be accomplished) were moved to an older building, the retrofitting cost would be prohibitive.

An old building would require an assessment to calculate the square footage needed to replicate our current library building. Space needs to be available for the book collection, IT spaces for public computers, children and teen activities, small study rooms, a public meeting space, a staff workroom and office, restrooms, HVAC and utilities. Floors must be reinforced, multiple data lines installed, electrical wiring and lighting updated for 21st century use, soundproofing, heating and cooling systems updated to preserve the collection and computers, and public work spaces provided with adequate seating. Of course, ADA accessibility requirements must be met. How could all this be funded? Donors would hardly want to give again, when the City already has its modern library building thanks to citizens and donors efforts originally. Remember, that \$66,000 comes from all of us.

We want our library to be in its present, remodeled-to-order building, regardless if the tax district measure passes this time. We fought hard to have this library and its building; please keep it.

Sincerely,

The Friends of the Sutherlin Library
Charlotte Lutz
Dayle McLain
Sharon Troxel
Jean Barczak



Consent Agenda



CITY OF SUTHERLIN
Regular City Council Meeting
Sutherlin Civic Auditorium
Monday, October 24, 2016 – 7:00pm

COUNCIL MEMBERS:

MAYOR: Wes Anderson, Wayne Luzier, Forrest Stone, Frank Egbert, Tom Boggs, Karen Meier,
Todd McKnight

CITY STAFF: City Manager, Jerry Gillham
City Recorder, Debbie Hamilton
Public Works Superintendent, Aaron Swan
Community Development Director, Brian Elliott
Police Chief, Kirk Sanfilippo
Fire Chief, Charles Perdomo
City Attorneys, Chad Jacobs & Ashley Driscoll (via Skype)

Audience: Connie Luzier, Rita Callahan, Amber & Taylor Luzier, Collin & Peggy Frazier, Teresa Morehouse, Tracy & Jack Van Dolah, Sierra Moon, Joe Groussman, Beth Houseman, Kim & Travis Tomlinson, Bertha Egbert, Seth Vincent, Dennis Riggs, Pam & Denny Cameron, Carol Swesso, Gayla Holley, Donna Pagel, Patricia & John Klassen, Mandi Jacobs, Mike Meier, Pamela Semas, Emily Blakely, Michael Weil, Tadd Held, Brian Burke, Pat & Bert Bales, Bill Cagle, Adam Sussman

Meeting called to order by Mayor McKnight at 7:00pm.

Flag Salute:

Roll Call: Excused – Councilor Anderson

Introduction of Media: None

PUBLIC COMMENT (agenda items only)

- None

PRESENTATIONS

- **Water Rights & Water Agreements Update**

Staff Report – Community Development Director, Brian Elliott, reported he has been working on water rights and agreements with GSI Water Solutions, Inc., Adam Sussman, for the past 13 months.

Sussman provided Water Rights 101 handout explaining the applications, permits and certificates process. An application for Water Right Permit is submitted to the State of Oregon; once implemented, city then goes to the State for a Water Rights Certificate. Water Rights Certificates are bullet proof and where cities want to be. Sussman has been working with Staff to get all City water rights protected. Required terms, uses, and conditions were explained. He gave kudos to Staff for being pro-active and thinking about this long-term; water rights is one of the most important assets a City has. City's water rights status and next steps was explained.

Questions:

- Councilor Stone – How long has City had water rights for Cooper Creek? *Application was submitted and permit issued in the late 1960's.* Is it on the creek and reservoir? *Yes, it allows diversion of water in the creek and reservoir.*
- Is water rights needed when diverting water before it gets to Ford's Pond? *Elliott – No, City cannot discharge from June 1st to October 31st to any waters in the state, therefore will be discharging into Ford's Pond. Management Plan will control that and meet various property rights.* That also includes the golf course? *What we have with the golf course and Banducci property is not a water right, but a water agreement.*

Elliott explained details involved in the agreement.

- Do you have to go back to how much effluent the sewer plant was putting out in 1975? *The agreement is very vague and without details.*
- Councilor Egbert – We have a water right on the North Umpqua, if we put a pipe in it in the next few years will that jeopardize these other water rights? *Sussman – Don't think that would jeopardize any other water rights. State of Oregon wants to see what is called "due diligence" or efforts in moving forward, this would only be a benefit.*
- Councilor Stone – Umpqua Water Basin is using our N. Umpqua water rights. *Elliott – As part of "due diligence" we have worked with them to expand their facility, if City hooks up, they would treat the water.* Have a pipe in the river for Sutherlin they don't even use. *Sussman – The point of diversion on the river was not to their regional facility, therefore we're going through the legal process to add one for City's water right.*

COUNCIL BUSINESS / DISCUSSION

• Vacant Residential Property Registration Ordinance

Staff Report – City Attorney, Ashley Driscoll – Have been working with Chief of Police, Kirk Sanfilippo, on various issues concerning vacant residential property. Vacant homes attract vagrants and abundance of other issues. Many vacant homes are foreclosed; tracking down the responsible party can be difficult.

Key elements of Vacant Residential Registration System:

- Once lender declares foreclosure on a property, inspecting it at least monthly becomes one of their responsibilities.
- If property is vacant, lender has to register it with the City.
- Once registered, lender has obligation to maintain the property, i.e. making sure windows are intact, not a nuisance, no one living there unauthorized, and security requirements.
- Have given additional authority to Chief of Police if property is an issue.
- If lender is out of area, required to have a local management company perform their obligations.
- Violations and penalties: up to \$500 per day or up to \$1,000 per day if deemed a willful violation.
- Appeal process is in place and will be appealed to Chief of Police.

Have researched other cities, were encouraged to find out owners are acknowledging and using this system. If City had this in place these last couple of months it would have saved a lot of time and expense. Sanfilippo spoke of the challenges involved with knowing who to contact regarding a foreclosed property, in addition not all vacant properties are foreclosed. The bank has obligation to understand City's requirements when loan default has been declared. If the default is declared and they have not let the City know it would be considered a default of the code. Once lending institutes become aware of issues with the vacant properties, they have been proactive taking care of the matter and paying the bills. Problem is Staff has taken care of problems up front and would like mortgage companies to be the responsible party.

- Some banks want to keep these properties as assets. *Sanfilippo – That's fine as long as they comply with the ordinance.*
- What happens if they're an FHA loan? *Driscoll – Would have to look into that. Is this perfect and capture every situation, are there banks we cannot get ahold of, and there may be other potential problems? As Sanfilippo stated, a problem has been identified and now identifying a way to address it. This ordinance has a very clear trigger point.*
- Does Council need to address questions in Staff Report, such as asking for a registration fee? *Sanfilippo – The more questions answered now will save time when draft is discussed. Would a 6-month trial period be helpful? Have learned a lot; don't feel a 6-month trial period would be an advantage, but can revisit charging a registration fee after 6 months.*

Discussion continued regarding the registration fee and who is responsible for enforcement, appeals, warrants and need for separation of duties.

Driscoll confirmed moving forward with no registration fee at this time and preparing a draft ordinance with separation of duties. It was by Council consensus to move forward with Staff's recommendations.

PUBLIC HEARING

• Supplemental Budget

Mayor McKnight opened the Supplemental Budget Public Hearing at 7:51pm.

Staff Report – City Manager, Jerry Gillham, reported due to significant issues with a police car, have moved up purchasing one this fiscal year rather than waiting until next year. \$11,000 in repairs has already been spent this last year on a car, replacement is needed. There is \$179,990 in the Police Reserve Fund; \$50,000 will be transferred into Capital Outlay Contingency Fund.

Questions:

- Councilor Stone – Why \$50,000? *Initial bid (state bid price) and current value is \$28,924 for an all-wheel drive, 2017 Ford Interceptor. Adding “build-up” expenses will total around \$47,083. Will be transitioning some equipment from old car to the new one.* Previous vehicles have not cost \$50,000. *Tahoe was about \$55,000; Chargers have been around \$43,000. Trying to cut costs, however reality is police vehicles are expensive.* Why 4-wheel drive instead of 2-wheel drive? *It’s not 4-wheel drive, it’s “all wheel” drive; most agencies are moving towards this as a standard police version.*

City Manager – Public Hearing acknowledges fund will be spent down to \$129,990 and is reflected in the resolution being presented tonight for a formal vote.

On average City is spending excessive money for repairs at around 90,000 miles, we are running them over 100,000 miles. Cars that are unreliable and unsafe should not be used for emergency responses.

- Councilor Stone – There should be money set aside for maintenance, can fix it rather than spend \$50,000 on a new car. *We do have a maintenance fund, and use it. Recently an officer couldn’t respond to an emergency, this car broke down during his shift and had to be towed. He was the only officer on duty. It’s not good business or public safety.*
- Councilor Egbert – What kind of problems did these cars have? *Can email the repair list to you.*
- Councilor Stone – Used to get a report on what was going on with each car. *Each month you get a list of all the cars and their mileage. Financial reports show bills for repair service with car number noted, however does not show details on types of repairs. All documents associated with each car are kept in a binder in the Police Department, starting from the day it’s purchased.*
- Councilor Egbert – Can easily spend a few thousand on repairs in a few months, does not mean the car is worn out. *Amount spent on this car is excessive; it has been towed 4 times during a shift. Question is at what point is the car unreliable enough to pull off the street.*

Mayor McKnight called for public comment.

Resident, Pam Cameron – You mentioned this vehicle has left the officer stranded 4 times and he was the only one on duty. If other cars are available, why use this one? *Each officer is assigned to a vehicle. Those with the most miles get used to avoid adding miles on all of the cars so they don’t all need to be replaced in the same year.*

With no further statements or questions, Mayor McKnight closed the Public Hearing at 8:02pm.

CONSENT AGENDA

- **October 10, 2016 Minutes – Regular Meeting**

MOTION made by Councilor Boggs to approve Consent Agenda; second by Councilor Stone.

In Favor: Councilors Meier, Luzier, Stone, Egbert, Boggs, and Mayor McKnight

Opposed: None

Motion carried unanimously.

ACTION ITEMS/GENERAL BUSINESS

- **Resolution No. 2016.21 – Supplemental Budget – Police Vehicle**

Staff Report – City Manager, Gillham summarized the resolution that will amend the budget by transferring \$50,000 from Police Reserve Fund from Contingency to Capital Outlay.

MOTION made by Councilor Boggs to approve Resolution No. 2016.21 Supplemental Budget adjustment in the amount of \$50,000 for Purchase of Police Vehicle as presented; second by Councilor Meier.

Discussion: Councilor Stone – Are we repaying this back from next year’s budget? **City Manager – No, rather than purchasing 3 vehicles next fiscal year, only 2 will be purchased.**

Sanfilippo – Each year, money is put into reserves for this purpose. Usually purchase radios out of this budget. **We don’t buy radios out of this budget, those come out of Materials and Services.**

In Favor: Councilors Meier, Luzier, Stone, Egbert, Boggs, and Mayor McKnight
Opposed: None
Motion carried unanimously.

- **Water Master Plan and Water Management & Conservation Plan Contract Approval**

Staff Report – Community Development Director, Brian Elliott – Update of Water Master Plan (WMP) and Water Management & Conservation Plan (WM&CP) with Dyer Partnership for \$78,500 requires Council approval. Current WMP is 10-years old; Oregon Health Authority (OHA) requires it to be current. Oregon Water Resource Department requires WM&CP be updated every 10 years. Have been working on the UGB (Urban Growth Boundary) swap and the 20-year buildable lands inventory and wanted to make sure they are included and identified in the model. This is a 20-year plan, but updated every ten years.
City Manager – It is important to have Sussman as part of this process. Dyer Partnership, Steve Major, was smart in recognizing this and is a win-win for the City.

MOTION made by Councilor Luzier to approve Water Master Plan and Water Management & Conservation Plan Contract for \$78,500 as presented; second by Councilor Stone.

Discussion: Councilor Egbert – Where's the money coming from? *\$85,000 was budgeted for this.*

Councilor Stone – Does this have to be put out to bid? *Yes, Staff put out an RFP (Request for Proposal) and interviewed.*

City Manager – One of the firms that applied was very impressed and has applied for pre-approved subcontractors, we put together an ongoing contract with them for other work.

In Favor: Councilors Meier, Anderson, Luzier, Stone, Egbert, Boggs, and Mayor McKnight

Opposed: None

Motion carried unanimously.

DEPARTMENT HEAD UPDATE

Community Development Director, Brian Elliott –

- Received notice to proceed today from Oregon Parks and Recreation for Ford's Pond Community Park Master Plan. Meeting with Parks Advisory Committee, November 10th, to discuss the RFP.
- [Property Line Adjustment] marlar has been signed and taken to County to be filed for Scarborough property.
- Very busy with potential developers, but not at liberty to share details at this time.

Public Works Superintendent, Aaron Swan –

- Nothing new to share tonight.

Councilor Stone – Weekly report stated [Engineer] Adam [Heberly], is doing the engineering on County owned portion of Central. Will County be reimbursing City for that expense? *Yes, that has not been settled but had discussion with County, they are working on the scoping and how much they can do for the City. They should have numbers this week that include the engineering.* Are they going to include sidewalks or just repaving? *ADA portions needs to be brought into compliance, surface paving, and a significant amount of storm piping will need to be done.*

- Councilor Stone – Has paving started for N. Comstock [waterline] project? *All crossings have been paved; have not completed paving on long stretch, waiting for weather and schedule permitting. All tie-ins, tests, and services are completed.*
- Is N. Comstock project on schedule for October 18th? *Had kick-off meeting with County last Wednesday, they are on schedule and planning to start spring of 2017.*
- Councilor Luzier – Do they plan on being done before school starts? *That is a big project and is their goal. I would imagine just the waterline project was a headache for the school. No matter what, will be working on the project before school gets out and possibly when it starts. There is no way to do that project in the short summer-time period.* Did they tell you how long it's supposed to take? *Not an exact timeframe; will try to nail that down at their 90% plan.*

City Recorder, Debbie Hamilton –

- Judge's [Andrew Johnson] evaluation is scheduled November 14th, would like Council's opinion on holding Executive Session prior to the meeting at 6:30pm as opposed to after the meeting. Feels it's wrong to make him wait until after the meeting.
- Councilor Egbert – Is Executive Session required? *Mayor – Yes, it's an employee evaluation.*

Some Councilors were in agreement to hold the Executive Session at 6:30pm, prior to the regular meeting.

- Councilor Meier – Is this meeting with him necessary? ***That is up to Council.***

It was suggested evaluation would be done much like City Manager's was done recently. City Recorder to send evaluation materials to Council, Mayor will meet with Judge regarding results of the evaluation.

Hamilton will update Judge Johnson on Council's decision. Court will be held October 27th at 5:00pm if Council members would like to review Judge's performance.

Interim Director of Public Safety and Chief of Police, Kirk Sanfilippo –

- Procurement process of Fire Department's SCBA (Self Contained Breathing Apparatus) Grant. Process requirements to be discussed with FEMA (Federal Emergency Management Association).
- Had very good Fire personnel turnout for Search & Rescue training last Thursday.
- Will see bills on Finance Statements concerning two more properties to be cleaned up.
- Procuring new mobile radios as budgeted. Do not have good infrastructure coverage in Sutherlin and Oakland, still looking for additional equipment for portables and mobiles to help with that issue. Working with vendor to put system in place, but will prove it works before paying for the system. If it does work will be coming to the Budget Committee next fiscal year for funding.

Mayor McKnight – How does that effect our agreement with dispatch? ***Does not impact any agreements, contract is for dispatch services only. The radio infrastructure issue has always been a Douglas County issue; they are not interested in spending money on the infrastructure. After researching, feel for around \$25,000 can greatly enhance radios in this area, as well as Douglas County's capabilities.***

Mayor McKnight – There has been problems with coverage for a long time, wanted to find out if County can help us or if we could work something out with them. ***It will enhance their ability while they are in our area and may assist some of the fire agencies, as well. This is assuming the vendor is willing to establish this system.***

- Training Lieutenant from DPSST (Department of Public Safety and Standards Training) conducted active shooter training for Police Officers. Fourteen Ballistic helmets have been purchased; City's portion was \$2,000, received donation from private party for the other \$2,000.

Councilor Stone – How many Fire Volunteers are there? ***Around 12 to 15; there is a core group of 4 to 6. City Manager – October is usually when City is at its lowest cash position until November tax revenues come in with around \$300,000 to \$400,000 in the bank. As of last Friday, there was over a million dollars. Cash position is stronger than it has ever been that we know of.***

CITY COUNCIL COMMENTS

Councilor Luzier –

- None

Councilor Stone –

- What's happening with the project on Ridgeview; has the house or property sold? ***City Manager – Made a proposal to the bank, they have not come back to us with any numbers. City owns the lots; they need to buy the lots in order to make the property functional. We also have a \$60,000 lien on that house. Have discussed with bank the possibility of donating that house/property to the City for a Community Reinvestment Act Credit. We would then put it on the market when deemed safe. Waiting to hear from them.***

Councilor Egbert –

- City Attorney was going to look into a resolution regarding the tourism money, what has happened with that? ***Getting together tomorrow with Driscoll, will be putting a recommendation together.***

Councilor Boggs –

- None

Councilor Meier –

- Councilor Anderson submitted a records request regarding the \$7,771 printed in the News Review article. Hamilton's email stated there were no records responsive to his request other than attorney invoices. That is not true; the City gave that number to the paper. ***Hamilton – Because they turned in a records request, by law we are required to provide that information.*** You're telling Anderson that you didn't have that; you gave them a specific number and didn't just give them the invoices. ***Total was what those invoices added up to.*** You told Anderson he needed to come in and go

through the invoices and make his own decision. ***The same as I told you.*** He was asking for the numbers to be justified and you said no. ***Am not required to justify anything.***

City Attorney, Chad Jacobs – Oregon’s Public Records Law allows public’s access to documents to view or get copies, City is not required to create new documents. The math was done on a calculator and total was given to News Review. No document physically exists to give to Anderson or anyone else. The response is the invoices, which were provided. Anderson was invited in to review the bills.

Councilor Meier – You said every month these marks are made on the bills, all I find is my name underlined and a lot of circles. Is it being determined I am responsible for these bills for the past four years? ***Jacobs – As I understand, when the bill comes in City Manager gives them to Department Heads and notations are made for various reasons:***

- To determine which fund that charge will come out of;
- To look at the bills and determine if the charges are correct;
- To track various things determining what legal costs are going to different projects, therefore finding ways to decrease legal costs associated.

Councilor Meier – When I asked Hamilton, she said City Manager circled all of them in red. ***Hamilton – That isn’t true. Deputy City Recorder circled them; I never told you City Manager did.***

Councilor Stone – The \$7,770 was paid to the attorney’s firm? ***Jacobs – I wasn’t involved with coming up with those figures. This is all subject to interpretation; everyone is going to have a different opinion on who is responsible for some of the calls. Was it a Councilor inquiry or Staff calling because of the inquiry? Staff is doing their best to stay out of it. This is a political debate and there is not one right answer. If you ask 10 different people you’ll probably get 6 or 7 different answers.***

Mayor McKnight asked Meier if she would like to add this to a future agenda.

Councilor Meier replied she doesn’t want it on a future agenda, the damage has been done. Staff went through these bills and appointed all of these charges to me, there is around \$1,000 just for the SDDI issue. Had questions about the money being released, that’s on the person who released the money. What I did actually saves the City money. Don’t tell me you did not have an agenda, because you did. ***Hamilton – You are wrong, the fact is your name was mentioned over 30 times in the bills. Regarding the SDDI issue, you started that conversation then there are more questions, Staff had to get the attorney involved. That’s why some of those were circled.***

Councilor Stone questioned the practice of Council asking questions for legal purposes therefore their name is added to the invoice. ***Hamilton – City does not prepare those invoices. Contact doesn’t have to be from a phone call, it can be from an email.***

Councilor Meier – If I asked questions during a meeting they’re charged to me. ***Only if there is follow up. City Manager directed his comment to Councilor Meier about the elections complaint she filed against him. Accusations against me and Staff are totally wrong and completely misunderstood. The information media received was never intended on our part to be received, they were all internal notes. More importantly, myself, and Staff would welcome an independent analysis of the legal bills to clarify all of these questions. I told the newspaper these numbers are questionable, they are billing notes I kept track of month to month to see where things were going. At no time during the 30 times Councilor Meier made contact with the City Attorney did I ever bring it to Council’s attention. Agreement is that Council would manage themselves.***

Councilor Meier – You (City Manager) gave the numbers to the News Review. ***Hamilton – I gave the numbers to them. My name wasn’t on \$7,700 worth of bills. Over 30 charges had your name on them. Council agreed they were not going to contact the City Attorney. It was supposed to go through the Mayor or City Manager. When it comes down to it, what do the totals matter?*** We never voted on that.

Councilor Boggs stated Council had discussions and an agreement.

Mayor McKnight stated the conspiracy theories and different motives are political, and do not belong inside Council Chambers. If addressing attorney fees would welcome that discussion, it is City business.

Councilor Meier – You told the News Review that in 2014 I had been reprimanded for attorney fees.

Mayor McKnight replied he did not tell them that and will not discuss the conspiracy theories.

Councilor Egbert – Received a memo from City Attorney regarding the fees, did the News Review get it before hand? ***Hamilton – No, it was just sent out today.***

Jacobs – Last week when the article came out, had a discussion with Staff regarding points Council should be aware of. Intention is not to throw anyone under the bus, have no reason to doubt what is in that memo. Memo is written by Staff with my assistance so Council could all be on the same page.

Councilor Stone – Do markings on invoices also happen with other things, like Dyer Partnership? *Yes, Absolutely.* So when we ask a question at the meeting, our name is on the bill? *No.*

Councilor Luzier – We're talking about apples and oranges here, if you ask City Manager a question tonight and he has to go to Jacobs for the answer, Councilor's names are not on that bill.

Councilor Meier – Mine is.

Councilor Luzier – Because you made phone calls and sent emails that created the question the next week. If asked tonight, your name is not on the bill, but if contacting City Attorney tomorrow, then it would be.

Councilor Meier – There was an instance when after a meeting I pulled City Manager aside to ask a question about a personnel correction he needed to make, the next day he contacted the City Attorney. That is circled on the bill as part of mine.

City Manager – The meeting was adjourned, the rest of the Council did not concur that that was a good question to move forward on.

Mayor McKnight suggested Council discuss procedures again. A workshop was held at one time, but it's not apparently working. Suggest having another workshop or add it to a future agenda to decide on a procedure and how to fix the problem.

- Have this from the library [Letter from the Friends of the Sutherlin Library], thought we were going to discuss it.

Councilor Boggs – That should be an agenda item.

Council agreed, discussion regarding the local library will be added to next meeting's agenda.

Mayor McKnight –

- Attended Booster Club Auction, would like to acknowledge the many volunteers involved in making it a very successful evening. They had a great turnout.

PUBLIC COMMENT –

- *Resident, Pam Cameron* – Researched for some type of policy or agreement regarding Council contacting City Attorney, but was unable to locate anything. Found different discussions, however did not find where Council ever voted. Feels this is what the City should do.
- *Nonpareil resident, Carol Swesso* – On behalf of Sutherlin's Lion Club would like to announce the 8th annual Halloween Carnival, October 29th from 2:00-4:00pm. at West Intermediate School.

Hamilton announced that if groups send her their event flyers, she will happily add them to City's Website and Facebook page.

- *Resident and former Council member, Patricia Klassen* – Would like to comment on News Review article. [While serving as Councilor] there was a long discussion regarding attorney fees. An incident came up with Councilor Meier and (at that time) Mayor Cameron who was involved with a personnel matter and contacted City Attorney without other Councilors knowledge. This was brought up to the rest of the Council as an anomaly. Council members accepted that, discussed it, and agreed only the Mayor and City Manager could contact the attorney. Councilor's questions needed to be brought to them or the full Council. Whether it's \$7 or \$7,000, you cannot contact the City Attorney and spend City money without Council approval.
- *Resident, Seth Vincent* – Expressed appreciation for this wonderful city, would like to thank Sutherlin Police and Fire Department, City Staff and the many volunteers in the community. Many citizens don't realize the little things that go on in order for a community to come together.
- *Resident, Travis Tomlinson* – If anyone has a question about the News Review article can request information from the City. Would like to thank the City for everything they do.
- *Resident, Bertha Egbert* – Read the article in the News Review, and felt it was a hit piece. Councilor Meier asks questions, tries to keep people on their toes, keep money from being spent and the laws followed. Is hoping things change in the City.

Councilor Meier – Is the public allowed to come in and look at invoices? *Yes, they would have to be redacted first.*

- *Resident, Ralph Lamel* – Just spent about 19 minutes listening to bickering and arguing, don't understand how that is City business. What the individuals representing us projects to us also shows what you're capable of doing. Would err on the side of caution on how you conduct yourselves in public on something other than city business. Did not read or care what was in the

article, when freedom of information forms are filed and that information is supplied as it is written, the extra is unwarranted. Need to stick to City business and stop acting like children.

- *Resident, Michael Weil* – When traveling east across the railroad tracks on 6th Avenue, it is hard to see if a train is coming from both north and south, would like to know if there is any way to trim some of that foliage back.

Mayor McKnight – Is that the railroad's right-of-way? *Swan – Yes, Public Works will look into it.*

ADJOURNMENT –

With no further business meeting adjourned at 9:19pm.

Mayor McKnight announced a five-minute break before Council meets in Executive Session called under ORS #192.660(2) (d) – Labor Negotiator Consultations, to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

Executive Session called to order at 9:25pm.

EXECUTIVE SESSION – ORS #192.660(2) (d) – Labor Negotiator Consultations

Executive Session adjourned at 10:06pm.

Approved: _____

Jerry Gillham, City Manager

Respectfully submitted and transcribed by,

Diane Harris, Deputy City Recorder

Todd McKnight, Mayor

Debra L. Hamilton, CMC, City Recorder



Action Items and/or General Business





City of Sutherlin

| STAFF REPORT | | | | | |
|--|------------------|--------------------------------------|---|--|------------------------------------|
| Re: Authorization to move forward on the Procurement of One (1) Sutherlin Police Department Patrol Vehicle. | | | | Meeting Date: | November 14, 2016 |
| Purpose: | Action Item X | Workshop <input type="checkbox"/> | Report Only <input type="checkbox"/> | Discussion <input type="checkbox"/> | Update <input type="checkbox"/> |
| Submitted By: Chief of Police Kirk M. Sanfilippo, Interim Director of Public Safety (Police & Fire) | | | | City Manager Review | <input type="checkbox"/> |
| Attachments: Vehicle Cost Quote for Vehicle and Outfitting (Auto Additions) | | | | | |

WHAT IS BEING ASKED OF COUNCIL?

Staff is requesting that City Council approve one police patrol vehicle for the Police Department.

EXPLANATION

During the budget preparation and presentation for FY2016/2017 the Sutherlin Police Department did not request a new patrol vehicle. Based on recent repairs and costs associated, one of the patrol vehicles (#804) has been taken out of service with 114,964 miles on it. This vehicle has cost the city above average in expenses over the last 12 months to keep maintained and in running condition. It has left officers stranded during patrol on several occasions over the last several months. This vehicle is at the end of its useful life, is no longer reliable, and is unsafe to be in service.

This is a purchase from Auto Additions, with a base purchase price that is at or below the State bid price (verified with the vendor). As a result, there will be no competitive bid process. The outfitting/build up for this emergency police department vehicle will be performed by Auto Additions as well. The purchase price for this vehicle is \$28, 676.00 for a 2017 Ford Interceptor Utility AWD (see the attachments). The Auto Additions vehicle outfitting price is \$16,665. The total cost of this vehicle, \$45,341.00.

Staff is requesting that Council to authorize the procurement of this police patrol vehicle.

OPTIONS

N/A

SUGGESTED MOTION(S)

- 1) Approve the procurement of the vehicle as presented, or;
- 2) Approve the procurement of the vehicle with amendments, or;
- 3) Not approve the procurement of the vehicle.

If you have any questions contact Kirk Sanfilippo at k.sanfilippo@ci.sutherlin.or.us at (541) 459-2211.

AUTO ADDITIONS

3925 Fairview Industrial Dr SE
Suite 150
Salem, OR 97302
Phone. 503-393-3910
Fax 503-393-7265

** QUOTATION **
*** DUPLICATE ***
Ord # 05 01734
P/O # FORDUTILITY2

Page 1

NET 30 DAYS

INSTALLED

Br Acct
00 65820

KIRK SANFILIPPO
SUTHERLIN POLICE DEPARTMENT
126 E. CENTRAL AVENUE
SUTHERLIN OR 97479

SUTHERLIN POLICE DEPARTMENT
126 E. CENTRAL AVENUE
SUTHERLIN OR 97479

WG
11/02/16
8:56:10
Expires
2/08/2017

| Lin | Qty | Part Number | S Description | Wt.Each | Net | Value |
|-----|-----|---|-------------------|------------|----------|-------|
| 001 | 1 | VH FORD-65820 | 2017 PI UTILTY | 28676.0000 | 28676.00 | |
| | | K8A 4DR AWD POLICE, G1 SHADOW BLK, 9 CLTH BKTS, W EBONY BLACK 500A EQUIP GROUP, 996 3.7L V6, 44C 6-SPD, 53M SYNC, 17T CARGO DOME LAMP 18W RR WINDOW DEL, 43D COURTESY DISABL, 51V SPOTLAMP DUAL LED 549 PWR MIRROR HTD, 66A FRONT HDLMP PKG, 87R RR VIEW MIRR/CAM KEYED ALIKE, 153 FRT LICENSE BRKT | | | | |
| | | PATROL POWER VEHICLE POWER HARNESS | | | | |
| 002 | 1 | PP 03-0211 | UTIL HRNS FRONT | 540.0000 | 540.00 | |
| | | PRISONER EQUIPMENT | | | | |
| 003 | 1 | PG P4714UINT13A | PARTITION | 520.5000 | 520.50 | |
| | | POLYCARBONATE CENTER SLIDER WINDOW WITH EXPANDED METAL INSERT | | | | |
| 004 | 1 | PG RP47UINT13 | RECESSED PANEL | 78.7500 | 78.75 | |
| 005 | 1 | PG SP47BS13 | EXTENSION PANEL | 61.5000 | 61.50 | |
| 006 | 1 | PG S4702UINT13OSB | F UTILITY OSB | 1183.5000 | 1183.50 | |
| | | STANDARD TRANSPORT SEAT W/ POLY WINDOW CARGO BARRIER, WITH OUTBARD BELTS | | | | |
| 007 | 1 | PG FP47UINT13 | ABS FLOOR PAN | 144.7500 | 144.75 | |
| | | FLOOR PANS | | | | |
| 008 | 1 | AU AA-WB-PI-SUV | 13+ PISUV WINBA | 150.0000 | 150.00 | |
| 009 | 1 | LH 61161 | F GROTE 6" WH RND | 13.9900 | 13.99 | |
| | | FORWARD FACING LIGHTS | | | | |
| | | WIG WAG INCLUDED IN PRICE, WHITE ION INCLUDED IN VEHICLE PRICE | | | | |
| 010 | 1 | WH IB8DEDE | F LIBERTY II | 1827.0000 | 1827.00 | |
| | | WHELEN 48" DUO FRONT AND REAR COLORS | | | | |
| 011 | 1 | WH MKEZ83 | LBAR STRAP KIT | | | |
| 012 | 1 | WH VMFT11RB | V-SERIES MIRROR | 386.5900 | 386.59 | |
| | | V-SERIES MIRROR BEAM | | | | |
| | | SIDE FACING LIGHTING | | | | |
| 013 | 2 | WH IONJ | F ION LED REB/BLU | 82.5000 | 165.00 | |
| | | REAR CARGO WINDOW | | | | |

| | | | | | | |
|-------------|------------|------------|--------------|--------------------|-------|-----|
| TOTAL UNITS | PART TOTAL | CORE TOTAL | FREIGHT | HANDLING | OTHER | TAX |
| | | | RCVD. BY: | PAY THIS AMOUNT | \$ | |

CONTINUED

AUTO ADDITIONS

3925 Fairview Industrial Dr SE
Suite 150
Salem, OR 97302
Phone. 503-393-3910
Fax 503-393-7265

** QUOTATION **
*** DUPLICATE ***
Ord # 05 01734
P/O # FORDUTILITY2

Page 2

NET 30 DAYS

INSTALLED

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00 65820

KIRK SANFILIPPO
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126 E. CENTRAL AVENUE
SUTHERLIN OR 97479

WG

11/02/16
8:56:10
Expires
2/08/2017

| Lin | Qty | Part Number | S Description | Wt.Each | Net | Value |
|--|-----|---------------------|-------------------|-----------|---------|-------|
| REAR FACING LIGHTING | | | | | | |
| 014 | 2 | WH VTX609B | F VERTEX BLUE | 70.0000 | 140.00 | |
| REVERSE LIGHT INSERTS | | | | | | |
| 015 | 1 | A2 11.1005SF | FLASHER | 25.5700 | 25.57 | |
| LED FLASHER FOR OEM BRAKE LIGHTS | | | | | | |
| 016 | 1 | WH IE34UR8 | F HOUSING IN/EDGE | | | |
| 017 | 1 | WH ISTRAY6 | 6-LT REAR RTX | 682.7300 | 682.73 | |
| REAR AMBER ONLY TRAFFIC ADVISOR | | | | | | |
| . | | | | | | |
| EXTERIOR EQUIPMENT | | | | | | |
| 018 | 1 | WH SA315P | F SIREN SPEAKER | 150.0000 | 150.00 | |
| 019 | 1 | WH SAK44 | F SPEAKER BRACKET | | | |
| 020 | 1 | SE BK2019ITU16 | F PB450L4 IONS | 679.7900 | 679.79 | |
| SETINA PUSH BUMPER, FRONT AND SIDE FACING IONS | | | | | | |
| 021 | 1 | SE FK0400ITU16 | F FENDER WRAPS | 299.2500 | 299.25 | |
| 022 | 1 | SE HK0810ITU16 | PB6 WRAPS | 419.2500 | 419.25 | |
| . | | | | | | |
| OFFICER AREA | | | | | | |
| 023 | 1 | HS C-VS-0812-INUT-1 | UTILITY CONSOLE | 336.4100 | 336.41 | |
| FORD SUV CONSOLE | | | | | | |
| 024 | 1 | HS C-CUP2-I | F CON,ACSY,CUPHLD | 33.0800 | 33.08 | |
| 025 | 1 | HS C-LP-3 | F 2" FACE PLATE | 34.6500 | 34.65 | |
| . | | | | | | |
| RADAR SYSTEM | | | | | | |
| 026 | 1 | MS 805-0022-00 | STALKER DUAL KT | 2165.0000 | 2165.00 | |
| . | | | | | | |
| COMPUTER EQUIPMENT | | | | | | |
| 027 | 1 | HS C-MD-119 | F 11" SLIDE ARM | 247.9700 | 247.97 | |
| HAVIS 11" SLIDE ARM FOR TOP OF CONSOLE | | | | | | |
| 029 | 1 | RD NMOKHFUD25 | F COAX CABLE | 16.0000 | 16.00 | |
| 030 | 1 | RD NMOWBQC | VHF ANT SPRING | 45.0000 | 45.00 | |
| . | | | | | | |
| CONTROLS | | | | | | |
| 031 | 1 | WH CCSRN36 | F CENCOM SAPHIRE | 550.0000 | 550.00 | |

| TOTAL UNITS | PART TOTAL | CORE TOTAL | FREIGHT | HANDLING | OTHER | TAX |
|-----------------|------------|------------|---------|----------|-----------------|-----|
| | | | | | | |
| RCVD. BY: _____ | | | | | PAY THIS AMOUNT | \$ |

CONTINUED



3925 Fairview Industrial Dr SE
Suite 150
Salem, OR 97302
Phone. 503-393-3910
Fax 503-393-7265

** QUOTATION **
*** DUPLICATE ***
Ord # 05 01734
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KIRK SANFILIPPO
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SUTHERLIN OR 97479

WG

11/02/16
8:56:10
Expires
2/08/2017

| Lin | Qty | Part Number | S Description | Wt.Each | Net | Value |
|---|-----|-----------------|-------------------|---------|-----------|---------|
| LIGHTING/SIREN CONTROLLER WITH ROTARY KNOB CONTROLS | | | | | | |
| 032 | 1 | WH WPKM1 | F PARK-KILL MODUL | | 42.8800 | 42.88 |
| 033 | 2 | MS E-123 | F 30 AMP RELAY | | 5.0000 | 10.00 |
| WEAPONS MOUNT | | | | | | |
| 034 | 1 | WS WEI-002 | F DUAL WPN MOUNT | | 273.3300 | 273.33 |
| COMMAND BOX | | | | | | |
| 035 | 1 | SE TK0250ITU12 | CARGO BOX | | 974.2500 | 974.25 |
| SLIDING KEY LOCK, BASE SLIDE WITH KEY | | | | | | |
| 036 | 1 | SE TT0242ITU12A | F BRACKET SET | | 56.2400 | 56.24 |
| GRAPHICS | | | | | | |
| 037 | 1 | MS GRAPHICS | GRAPHICS | | 480.3000 | 480.30 |
| UPFIT AND INSTALL | | | | | | |
| 038 | 1 | MS INSTALL | INSTALL PKG | | 95.0000 | 95.00 |
| 039 | 1 | LA L | LABOR CHARGE | | 3124.0000 | 3124.00 |
| AFTERMARKET KEYLESS ENTRY | | | | | | |
| 040 | 1 | MS 2101L | F AVITAL | | 35.9400 | 35.94 |
| 041 | 1 | HS DS-PAN-413 | HAVIS-SHIELDS | | 364.5600 | 364.56 |
| CF-53 CRADLE | | | | | | |
| 042 | 1 | HS DS-DA-410 | SCREEN SUPPORT | | 62.2200 | 62.22 |

| | | | | | |
|-------------|------------|------------|--------------|--------------------|-------------|
| 44 | 45091.00 | 250.00 | | | |
| TOTAL UNITS | PART TOTAL | CORE TOTAL | FREIGHT | HANDLING | OTHER |
| | | | RCVD. BY: | PAY THIS AMOUNT | \$ 45341.00 |



City of Sutherlin

| STAFF REPORT | | | | | |
|--|--|--------------------------------------|---|--|------------------------------------|
| Re: Vacant Residential Property Registration Ordinance (first reading, title only) | | | | Meeting Date: | 11/14/16 |
| Purpose: | Action Item <input checked="" type="checkbox"/> | Workshop <input type="checkbox"/> | Report Only <input type="checkbox"/> | Discussion <input type="checkbox"/> | Update <input type="checkbox"/> |
| Submitted By: Kirk M. Sanfilippo, Chief of Police & Ashley Driscoll, City Attorney's Office | | | | City Manager Review | <input type="checkbox"/> |
| Attachments: Vacant Residential Property Registration Ordinance 8.28 | | | | | |

WHAT IS BEING ASKED OF COUNCIL?

Approval of a "Vacant Residential Property Registration" ordinance 8.28 in the City of Sutherlin.

EXPLANATION

On a number of occasions the City has had a problem locating responsible parties in vacant properties that have not yet gone through foreclosure. The problem is that when the City tries to contact the property owner for failing to comply with the City code, the absent owners claim that the mortgage company has possession of the property. Code Enforcement searches the property records and has no record of the lender. In the meantime, the home becomes a magnet for crime and trespassing, and an eyesore for the community.

As proposed, upon default of the borrower, the ordinance would require the lender to perform an inspection of the property. If the property is vacant (is not legally being resided in by a valid renter, lease, etc.), the lender shall register the property with the Sutherlin Police Department, as designated by the City Manager. The registration includes the name and contact information for the lender. As proposed, registration would be free.

The benefit to the City is that the lender will be responsible for maintaining the property for security and to prevent the property from incurring code violations. Further, if Code Enforcement spots issues, it can contact the lender directly to obtain compliance.

If the lender does not comply with the registration and maintenance requirements, the City will send a notice letter and provide 10 days to correct the failures. If no action is taken, the lender will then begin accruing penalties not to exceed \$500 per day.

Lenders may also appeal the City's determination that the property belongs on the registry.

This ordinance, as proposed, does not address vacant homes that are not in foreclosure or how to evict squatters.

| |
|----------------|
| OPTIONS |
|----------------|

1. To approve the first reading of the Ordinance regulating Vacant Residential Property Registration in the City of Sutherlin as presented; or,
2. To approve the first reading of the Ordinance regulating Vacant Residential Property Registration in the City of Sutherlin with amendments; or,
3. To not approve the first reading of the Ordinance.

| |
|----------------------------|
| SUGGESTED MOTION(S) |
|----------------------------|

None



Administration
126 E. Central Avenue
Sutherlin, OR 97479
(541) 459-2856
Fax (541) 459-9363
www.ci.sutherlin.or.us

City of Sutherlin

NOTICE OF ORDINANCE ENACTMENT

ORDINANCE NO.

**AN ORDINANCE ADDING A NEW CHAPTER 8.28 TO THE SUTHERLIN
MUNICIPAL CODE IMPLEMENTING A VACANT RESIDENTIAL
PROPERTY REGISTRATION**

**THIS ORDINANCE WILL BE CONSIDERED BY COUNCIL AT THE REGULAR
COUNCIL MEETING OF:**

**MONDAY, NOVEMBER 14 @ 7:00PM
CIVIC AUDITORIUM**

Questions or copies of this Ordinance may be viewed by interested persons at the office of City Recorder, 126 E. Central Avenue, Sutherlin, Oregon, between the hours of 9:00 a.m. and 5:00 p.m., weekdays. A copy of this Ordinance may be purchased by interested persons for a sum determined to cover the City's expense for providing the copy.

Pursuant to Section 30 (b) (c) of the Sutherlin City Charter, this notice has been posted at the following locations: Sutherlin City Hall; Sutherlin Post Office; Sutherlin Visitor's Center and City's website (www.cityofsutherlin.com).

Posted this day, November 4, 2016
By Diane Harris
Deputy City Recorder

ORDINANCE NO.

AN ORDINANCE ADDING A NEW CHAPTER 8.28 TO THE SUTHERLIN MUNICIPAL CODE IMPLEMENTING A VACANT RESIDENTIAL PROPERTY REGISTRATION

WHEREAS, the City desires to create additional tools to deal with vacant residential properties that cause disturbances in the community; and

WHEREAS, the City often cannot locate responsible parties for vacant properties that have not yet finished the foreclosure process; and

WHEREAS, the City wishes to require the lender of such vacant properties to register the contact information of the lender with the City. The City wishes the lender to be responsible to maintain the property for security, to prevent code violations and to deter criminal activity.

NOW, THEREFORE, THE CITY OF SUTHERLIN ORDAINS AS FOLLOWS:

Section 1. The City establishes a new Chapter 8.28 – Vacant Residential Property Registration– to read as follows:

8.28.010 Definitions

The following terms as used in this section shall mean:

(1) Borrower. Any person who becomes obligated on a real estate loan agreement, either directly or indirectly, and includes, but is not limited to, mortgagors, vendees under conditional land sales contracts and grantors under trust deeds.

(2) Evidence of vacancy. Any condition that on its own, or combined with other conditions present, would lead the City Manager or designee to believe that the property is vacant. Such conditions include, but are not limited to, overgrown and/or dead vegetation; accumulation of newspapers, circulars, flyers and/or mail; past due utility notices and/or disconnected utilities; accumulation of trash, junk and/or debris; the absence of window coverings such as curtains, blinds and/or shutters; the absence of furnishings and/or personal items consistent with residential habitation; evidence of trespass or criminal mischief; or statements by neighbors, passerby, delivery persons, and/or government employees that the property is vacant.

(3) Lender. Any person who makes, extends, or holds a real estate loan agreement and includes, but is not limited to, mortgagees; beneficiaries under trust deeds; vendors under conditional land sales contracts; trustees and a successor in interest to any mortgagee, beneficiary, vendor or trustee. The term also includes any mortgagee, beneficiary or trustee that accepts a deed in lieu of foreclosure.

(4) Notice of default. A written notice to a borrower stating that a default on a real estate loan agreement has occurred and that legal action may be taken.

(5) Out of area. Outside of Douglas County.

(6) Real Estate Loan Agreement. Any agreement providing for a loan on residential property, secured in whole or in part by real property located within the City of Sutherlin, or any interest therein, and includes, but is not limited to mortgages, trust deeds and conditional land sales contracts.

(7) Vacant. A subject property that is not legally occupied.

8.28.020 Inspection by Lender

(1) Immediately upon default of the borrower, a lender shall perform an inspection of the property that is the security for the real estate loan agreement.

(2) If the property is found to be vacant or shows evidence of vacancy, the lender shall, within ten (10) days of the inspection, register the property with the City Manager or designee.

(3) If the property is occupied but remains in default, the property shall be inspected by the lender on a monthly basis until the borrower remedies the default. If an inspection reveals that the property is vacant or shows evidence of vacancy, the lender shall, within ten (10) days of the inspection, register the property with the City Manager or designee.

(4) This ordinance also applies to properties that have been the subject of a foreclosure sale where title has transferred from one lender to another lender; and a property transferred under a deed in lieu of foreclosure.

8.28.030 Registration

(1) The registration shall contain the following information:

(a) The name of the lender;

(b) The direct mailing address of the lender. Post office boxes are not acceptable;

(c) The direct contact name and phone number for the lender;

(d) The physical address for the lender's agent authorized to receive service of process, if applicable; and

(e) The direct contact information for the local property management company responsible for security, maintenance and marketing of the property, if applicable.

(2) No registration fee shall be imposed. A lender or owner that has registered a property under this ordinance shall report any change of information contained in the registration within ten (10) days of the change.

(3) Properties subject to this ordinance shall remain under the registration requirement as long as the property remains vacant.

(4) Registration forms shall be available at City Hall and online at the City's website.

8.28.040 Maintenance Requirements

(1) A lender shall maintain properties subject to this ordinance. Maintenance includes all of the following:

(a) Ensuring that the condition of the subject property does not, in the opinion of the City Manager or designee, constitute a public nuisance as described in Sutherlin Municipal Code sections 8.16;

(b) Regular cutting, pruning and mowing of the subject property and the removal of all trimmings, as applicable to the property;

(c) Pools and spas shall be kept in working order, so that water remains clear and free of pollutants and debris; or drained and kept covered.

(2) If the property is owned by an out of area lender, a local property management company shall be contracted to perform monthly inspections to verify the requirements of this section, and to ensure any other applicable laws are being met. The property management company shall post a direct contact name and 24-hour contact phone number for persons to report problems or concerns, and the posting shall be placed on the interior of a window facing the street to the front of the property so it is visible from the street. If no such area exists, then the posting shall be placed on the exterior of the property in a location visible from the street to the front of the property. An exterior posting shall be constructed of and printed with weather resistant materials.

(3) Adherence to this section does not relieve a person subject to this ordinance of any obligations set forth in any covenants, conditions and restrictions which may apply to the subject property.

8.28.050 Security Requirements

(1) The lender shall maintain a subject property in a secure manner so as not to be accessible to unauthorized persons, and includes the securing of windows, doors, gates and any other opening of such size that may allow a child to access the interior of the property. Broken windows shall be boarded or reglazed.

(2) If the property is owned by an out of area lender, a local property management company shall be contracted to perform monthly inspections to verify the requirements of this section, and to ensure any other applicable laws are being met. A property management company shall be subject to the same posting requirements as provided for in section 8.28.040(2) of this ordinance.

8.28.060 Additional Authority

The City Manager or designee shall have the authority to require the lender to implement any additional maintenance and/or security measures including, but not limited to:

- (a) Installation of additional security lighting;
- (b) Increasing on-site inspection frequency;
- (c) Employment of an on-site security guard; and
- (d) Any other measures as may be reasonable required to prevent the decline of the property.

8.28.070 Violation; Penalty

(1) In the event the City Manager or designee believes a lender has failed to meet the registration, maintenance, security and inspection obligations of this chapter, the City Manager or designee shall send notice to the lender at the address listed on the tax rolls of the county maintained consistent with ORS 311.560 or at another address known to the City Manager or designee. The notice shall set out the nature of the failure(s) to be corrected and shall give the lender not less than ten (10) working days from the date of the notice to correct them. In the event the owner fails to remedy the matter within the time set out in the notice the city may then enter the property and cause the failures to be corrected, charging the costs to the property as a lien.

(2) In addition to the remedies in subsection (1), the city may enforce the terms of this chapter as provided elsewhere in the code and state law.

(3) Any person violating any of the provisions of this chapter shall, upon conviction, be punished by a fine not to exceed five hundred dollars (\$500.00) per day.

(3) If the City Manager or designee believes a lender's failure to comply with the requirements in this chapter is willful or purposeful, the City Manager or designee may authorize the appropriate enforcement personnel to seek an enhanced penalty up to one thousand dollars (\$1000.00) per day in addition to the penalty contained in subsection (3).

8.28.080 Appeals

(1) In the event a lender is notified that a residential property is subject to the terms of this chapter but believes the property should not be, the lender may appeal the determination to the City Manager or designee.

(2) Any appeal shall be:

(a) In writing;

(b) Received by the City Manager or designee within 10 working days of the date the lender was notified that their residential property was subject to this chapter; and

(c) Setting out in summary form the basis for their belief that their residential property should not be subject to this chapter.

(3) Upon receipt of the appeal, the City Manager or designee shall review the matter and provide the lender an opportunity to give additional information if the City Manager or designee believes that additional information could better inform the decision on whether to affirm, deny or modify the notification. After the owner has been given the opportunity to provide additional information, the City Manager or designee shall within ten (10) days of the receipt of that information affirm, deny or modify the notification as to the applicability of this chapter to the residential property in writing.

(4) The City Manager's or designee's decision is final subject only to judicial review pursuant to ORS 34.010 et seq.

Section 2. This ordinance shall be effective from and after 30 days following its adoption by the Council.

PASSED BY THE COUNCIL ON THE ____ DAY OF _____, 2016.

APPROVED BY THE MAYOR ON THIS ____ DAY OF _____, 2016.

Mayor, Todd McKnight

ATTEST:

City Recorder, Debra L. Hamilton, CMC



REPORTS



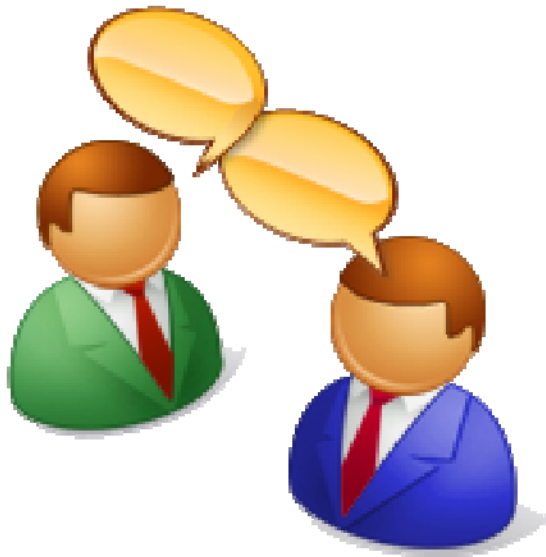


Department Head Updates





COUNCIL COMMENTS





PUBLIC COMMENT





ADJOURNMENT





Executive Session





FOR YOUR INFORMATION



| | September 2016 | September 2015 | September 2014 |
|--|-------------------|-------------------|-------------------|
| Civilian Labor Force | 46,793 | 44,755 | 44,363 |
| Employed | 43,840 | 41,713 | 40,752 |
| Unemployed | 2,953 | 3,042 | 3,611 |
| Unemployment Rates (seasonally adjusted) | | | |
| Douglas County | 7.1% | 7.5% | 8.7% |
| State of Oregon | 5.5% | 5.7% | 6.6% |

September 2016 Gains & Losses:

Selected net, over-the-year gains:



- Construction: +200
- Leisure-hospitality: +150
- Private Education and health services: +140
- Trade, transportation, utilities: +110

Selected net, over-the-year job losses:



- General merchandise stores: -70
- Nondurable good manufacturing: -30

Douglas County: Help Wanted On-Line, unique ads posted August 14-September 13, 2016

| Occupations by Major Groups, with examples | Occupation | Number of Unique Ads |
|---|---|----------------------|
| Office and Administrative Support Occupations | | 118 |
| | Customer Service Representatives (11 ads) | |
| | Receptionists and Information Clerks (11 ads) | |
| | Medical Secretaries (10 ads) | |
| Healthcare Practitioners, Technical Occupations | | 92 |
| | Registered Nurses (27 ads) | |
| | Physical Therapists (11 ads) | |
| | Occupational Therapists (9 ads) | |
| Transportation, Material Moving Occupations | | 89 |
| | Heavy and Tractor-Trailer Truck Drivers (55 ads) | |
| | Light Truck or Delivery Services Drivers (8 ads) | |
| | Laborers and Freight, Stock, and Material Movers (6 ads) | |
| Sales and Related Occupations | | 86 |
| | Retail Salespersons (16 ads) | |
| | First-Line Supervisors of Retail Sales Workers (9 ads) | |
| | Real Estate Sales Agents (9 ads) | |
| Building, Grounds Cleaning, Maintenance Occupations | | 42 |
| | Janitors and Cleaners, Except Maids, Housekeeping Cleaners (17 ads) | |
| | Maids and Housekeeping Cleaners (15 ads) | |
| | Landscaping and Groundskeeping Workers (5 ads) | |
| Others (18) | | 346 |
| Total ads for this period | | 773 |

For additional labor market information: visit QualityInfo.org for our new subscription service (see publications tab). Annette.I.Shelton-Tideman@oregon.gov; Oregon Employment Dept.; 541-530-0605 (cell)



Community Development
126 E. Central Avenue
Sutherlin, OR 97479
(541) 459-2856

SYSTEM DEVELOPMENT CHARGE WORKSHEET SUMMARY
Single Family Dwelling

File No: 2016-60

SITE ADDRESS: 849 LANDING ST

Owner/Developer: RUSS & LINDA SHOOK

Address: 852 S COMSTOCK
SUTHERLIN OR 97479

Phone #: 509-318-0273

SDC FEES

| | SDC | Connection | | |
|----------------|------------|--|----|----------|
| Water | \$1,621.50 | \$550 | \$ | 2,171.50 |
| Sewer | \$128.50 | \$490 | \$ | 618.50 |
| Transportation | \$1,134.83 | $9.57(1) \times (.97) \times \122.25 (ITE 230) | \$ | 1,134.83 |
| Parks | \$500.00 | | \$ | 500.00 |

WATER ADMINISTRATION FEE 2% \$ 32.43

Worksheet \$ 25.00

TOTAL \$ 4,482.26

R143728

RCAT 49123

Diane Harris

From: Diane Harris
Sent: Wednesday, November 09, 2016 8:27 AM
To: DC Commissioners; Douglas County News; KUGN; KYLE-KQUEN; News Review; Register Guard; Roseburg Beacon
Subject: Public Meeting Notice
Attachments: CC AGENDA NOV 14.16-Meeting.pdf

Good morning,

Please see attached agenda for the November 14th Sutherlin City Council meeting!

Thank you,



Diane Harris

Deputy City Recorder
City of Sutherlin
126 E Central Ave
Sutherlin, OR 97479
(541)-459-2856
d.harris@ci.sutherlin.or.us