



**City of Sutherlin  
Council Meeting  
Monday, December 14, 2020  
Civic Auditorium – 7:00 p.m.**

**AGENDA**

**Mayor Todd McKnight**

**Council President Boggs**

**Councilors Hamilton, Stone, Sumner, Tomlinson and Vincent**

**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. PRESENTATION**

a. [Outgoing Councilor Appreciation](#)

**6. CONSENT AGENDA**

a. [November 9, 2020 Minutes – Regular Meeting](#)

**7. COUNCIL BUSINESS**

- a. [Resolution 2020.19 – Election Canvass](#)
- b. [Resolution 2020.20 – S. Calapooia Force Main Reimbursement Approval](#)
- c. [Ordinance 1082 – Amending SMC Chapters 8 and 10 – Discarded Vehicle Impoundment & City Facility Parking](#)

**8. REPORTS**

a. [Audit Report](#)

**9. STRATEGIC PLAN UPDATE**

**10. CITY MANAGER REPORT**

**11. CITY COUNCIL COMMENT**

**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**

*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.*

*If you have a disability that requires special materials, service, or assistance, please call 541.459.2856 at least 48 hours prior to the meeting to arrange for accommodations*



# **Call to Order & Flag Salute**





# ROLL CALL





# **Introduction Of Media**







# **PUBLIC COMMENT**

## **Agenda Items only**





# **Presentations and/or Proclamations**





# **OUTGOING COUNCILORS APPRECIATION**





# Consent Agenda



**CITY OF SUTHERLIN**  
**Regular City Council Meeting**  
**Sutherlin Civic Auditorium**  
**Monday, November 9, 2020 – 7:00pm**

**COUNCIL MEMBERS:**

Tom Boggs, Debbie Hamilton, Forrest Stone, Michelle Sumner, Travis Tomlinson and Seth Vincent

**MAYOR:** Todd McKnight

**CITY STAFF:** City Manager, Jerry Gillham

Finance Director/Asst. City Manager, Dan Wilson  
City Recorder, Diane Harris  
Deputy City Recorder, Melanie Masterfield  
Community Development Director, Brian Elliott  
Public Works Director, Aaron Swan  
Police Captain, Kurt Sorenson  
Fire Chief, Mike Lane

**Audience:** Councilors Elect: Larry Whitaker & Joe Groussman; Adam Sarnoski (Cooper Creek Creative), Morgan Leatherman (City Manager Intern)

**Via Zoom:** Battalion Fire Chief, Brandan McGarr; Sierra Moon

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

**Flag Salute:**

**Roll Call:** Councilor Stone - Excused

**Introduction of Media:** None

**PUBLIC COMMENT** (agenda items only)

- None

**Mayor McKnight invited Adam Sarnoski of Cooper Creek Creative to discuss the Central Park Holiday Lighting Display.**

- Adam Sarnoski updated Council on the newly built 50' lighted Christmas tree to be displayed in Central Park. A video was shown of the tree, highlighting the capability of syncing the lights to music. *Public Works Director, Aaron Swan - The smallest of the lighted trees (from last year's display) will be placed at the Visitor's Center, leaving the three largest at Central Park. The tree lighting will be on December 6<sup>th</sup>.*
- Early next year, Adam will be updating and cleaning the city sign at exit 135.

**CONSENT AGENDA**

- **October 12, 2020 Minutes – Regular Meeting**

**MOTION** made by Councilor Tomlinson to approve consent agenda as presented, second by Councilor Vincent.

Discussion: None

In Favor: Councilors Hamilton, Tomlinson, Boggs, Sumner, Vincent and Mayor McKnight.

Opposed: None

Motion carried unanimously.

## **COUNCIL BUSINESS**

### **• Purchase Approval – Wild Land Brush Rig**

Staff Report – Fire Chief, Mike Lane, asked Council to approve the purchase of a 2021 Ford F-450 4x4 Crew Cab and chassis. The currently owned 2005 brush engine is scheduled for replacement in the 2020/2021 budget year, however Fire staff would like to keep that engine, giving the Sutherlin Fire Department a total of 3 brush engines. Lane explained over the summer, one was staffed at Fair Oaks Fire Station and the '05 was sent to Glide for the Archie Creek Fire, therefore leaving Sutherlin Fire Department without one.

**MOTION** made by Councilor Hamilton to approve Purchase of a Wild Land Brush Rig in the amount of \$89,693.23 as presented; second by Councilor Sumner.

Discussion:

- Councilor Boggs questioned lighting costs. Lane clarified.
- Mayor McKnight – Does the budget have sufficient funds for the purchase? ***Finance Director, Dan Wilson – Yes.***

In Favor: Councilors Hamilton, Tomlinson, Boggs, Sumner, Vincent and Mayor McKnight

Opposed: None

Motion carried unanimously.

### **• Resolution 2020.18 – Public Works Surplus Property – Sludge Truck**

Staff Report – Public Works Director, Aaron Swan, informed Council with the new Wastewater Treatment Plant operations, the truck is no longer needed. It has also reached an age that extensive maintenance is required.

**MOTION** made by Councilor Vincent to approve Resolution 2020.18 – Public Works Surplus Property – Sludge Truck as presented; second by Councilor Tomlinson.

Discussion:

- Councilor Vincent – Is it a tanker truck? ***Swan - Yes***

In Favor: Councilors Hamilton, Tomlinson, Boggs, Sumner, Vincent and Mayor McKnight

Opposed: None

Motion carried unanimously.

## **REPORTS**

- None

## **STRATEGIC PLAN UPDATE**

- **Sidewalks from Silver Glen to Quail Run** – Community Development Director, Brian Elliott, updated Council on sidewalk extension details. This fiscal year's budgeted funds will extend the sidewalk on the south side of Central Ave. from approximately Silver Glen to Grove St. I.E. Engineering's construction plans should be completed by the end of November and will go out to bid the first part of 2021.
- **Central Park Holiday Lighting Display Improvements** – Presentation was provided at beginning of meeting.

## **CITY MANAGER REPORT (VERBAL)**

- Introduced the Councilors Elect – Joe Groussman and Larry Whitaker.
- Councilors Elect attended a Council Orientation hosted by staff to discuss city policies and procedures, the Strategic Plan, and met department heads.
- January's Council meeting will be a combination regular & workshop meeting, held at the Community Center. Councilors and Mayor will be sworn in, followed by a workshop focusing on the Strategic Plan outline and 2021-2022 Council Priorities.

## COUNCIL COMMENTS

### **Councilor Hamilton**

- Congratulated the elected candidates.
- A complaint posted on Facebook of a hole in the pavement on Central Ave. by the train. *Swan – There was a water leak and it's been cold patched. It'll be fixed with hot mix soon.*
- Another complaint on Facebook of potholes at the intersection 6<sup>th</sup> street and the railroad tracks. *Swan – We've patched them a few times. The railroad is supposed to fix them, but we'll look at them again.*
- Heavenly Ct. has a large bump in the road. *Swan – We'll look at it.*

### **Councilor Tomlinson**

- None

### **Councilor Boggs**

- Welcomed the new Councilors.
- Asked if the City is still enforcing the 2-week sign limit for the fence around the train. *Gillham will follow up on it.*
- Shrubs need to be trimmed in front of the train so the holiday lights can be seen.

### **Councilor Sumner**

- Asked about road improvement plans for the intersection of Everett Ave. & State St. *Swan – It's planned to be fixed next year.*
- Update on Schoon Mtn. water tank progress? *Swan – Minor water leaks have delayed completion, but it's close to being done.*

### **Councilor Vincent**

- Acknowledged Sutherlin Area Chamber of Commerce for the Halloween Trunk-or-Treat through downtown businesses. The effort was great and it was a fantastic event for the community.
- Looking forward to the holidays and encouraged everyone to think about families in need.

### **Mayor McKnight**

- Update on Ford's Pond? *Elliott – It's on track and should be completed by the end of December. Recreational Trails Program (RTP) grant for \$240,808.00 and the Land & Water Conservation Fund (LWCF) grant for \$205,775.00 have been approved, but due to COVID-19, won't be received until the first part of 2021 and will complete the 0.9 mile of trail that's not being completed now. The Local Government Grant (LGG) for \$517,814.00 is lottery funded and has been put on hold due to COVID-19.*
- Welcomed new Councilors.
- Thanked the staff for hosting the Council Orientation.
- Thanked the Lion's Club in advance for putting out the flags for Veteran's Day.
- The Halloween event was well attended and a great function.

Elliott acknowledged Friends of Ford's Pond for their involvement in the process of improvements at Ford's Pond.

## PUBLIC COMMENT

- None

## ADJOURNMENT

With no further business, meeting adjourned at 7:28 p.m.

Approved:

\_\_\_\_\_  
Jerry Gillham, City Manager

Respectfully submitted by,

\_\_\_\_\_  
Melanie Masterfield, Deputy City Recorder

\_\_\_\_\_  
Todd McKnight, Mayor



# **COUNCIL BUSINESS**







## City of Sutherlin

STAFF REPORT					
<b>Re: Resolution 2020.19 – Election Canvass of Votes</b>				<b>Meeting Date:</b>	<b>Dec 14, 2020</b>
<b>Purpose:</b>	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
<b>Submitted By: City Recorder, Diane Harris</b>				City Manager Review	<input checked="" type="checkbox"/>
<b>Attachments:</b>	Resolution 2020.19, Notice of Election Canvass, and Overvote & Undervote information				

### WHAT IS BEING ASKED OF COUNCIL?

Council is being asked to acknowledge and certify the official results of the General Election held on Tuesday, November 3, 2020, as officially received from the office of the Douglas County Clerk and Douglas County Elections Division on November 23, 2020.

### EXPLANATION

To acknowledge, certify, and accept results of the City of Sutherlin Mayoral and Councilor election of November 3, 2020 General Election by Resolution 2020.19.

### OPTIONS

Office of the City of Sutherlin Election Officer requests approval and adoption of Resolution 2020.19 – Canvass of Votes as presented.

Further, the City Recorder will issue Certificates of Election to the individuals elected at the November 3, 2020 General Election and will be presented at the January 11<sup>th</sup> City Council Meeting.

### SUGGESTED MOTION(S)

Motion to approve (not approve or amend) Resolution 2020.19 – Canvass of Votes with attachments from the November 3, 2020 General Election as presented.

## RESOLUTION NO. 2020.19

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTHERLIN, OREGON, CERTIFYING THE RESULTS OF THE NOVEMBER 3, 2020, GENERAL ELECTION.

**WHEREAS**, the election results from the November 3, 2020 General Election have been certified by the Office of the Douglas County Clerk and the Douglas County Elections Division and received by the City of Sutherlin on November 23, 2020.

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

Section 1: That the votes cast by electors of the City of Sutherlin for Mayor and Councilors at the general election of November 3, 2020, are hereby found, determined and declared to be as follows:

#### **MAYOR**

Todd McKnight	3,492
Write-ins	112
Overvotes	0
Undervotes	1251

#### **COUNCIL MEMBERS**

Larry Whitaker	2,858
Seth Vincent	2,648
Joe Groussman	2,293
Miscellaneous write-ins	161
Overvotes	12
Undervotes	6593

Section 2: Pursuant to the foregoing election results, certified to by the Douglas County Clerk and canvassed and ratified by the City Council by this resolution, it is hereby found, determined and declared that the following are the official results of the general election held on November 3, 2020. Certified election results, attached incorporated herein as “Exhibit A” and, are hereby made a part of the record of proceedings of the City Council. This Council Resolution is effective upon adoption.

Section 3. The City Recorder is hereby directed to issue certificates of election to the persons declared elected in Section 1 above within thirty (30) days after the effective date of this resolution.

**PASSED BY THE CITY COUNCIL, ON THIS \_\_\_\_ DAY OF \_\_\_\_, 2020**

**APPROVED BY THE MAYOR ON THIS \_\_\_\_ DAY OF \_\_\_\_, 2020**

\_\_\_\_\_  
Mayor, Todd McKnight

ATTEST:

\_\_\_\_\_  
City Recorder, Diane Harris, CMC

# Exhibit A

Statement of Votes Cast by Geography  
Douglas County General Election, Nov 03, 2020  
All Precincts, All Districts, All ScanStations, City of Sutherlin, Councilor, City of Sutherlin, Mayor, All  
Boxes

Page: 1 of 1  
2020-11-23  
12:19:25

Total Ballots Cast: 4855  
28 precincts reported out of 28 total

Choice	Votes	Vote %
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## Precinct 17

### City of Sutherlin, Mayor (Vote for 1)

4855 ballots (0 over voted ballots, 0 overvotes, 1251 undervotes)

Todd McKnight	3492	96.89%
Write-in	112	3.11%
Total	3604	100.00%
Overvotes	0	
Undervotes	1251	

### City of Sutherlin, Councilor (Vote for 3)

4855 ballots (4 over voted ballots, 12 overvotes, 6593 undervotes)

Larry Whitaker	2858	35.90%
Joe Groussman	2293	28.81%
Seth Vincent	2648	33.27%
Write-in	115	1.44%
Write-in	30	0.38%
Write-in	16	0.20%
Total	7960	100.00%
Overvotes	12	
Undervotes	6593	

## All Precincts

### City of Sutherlin, Mayor (Vote for 1)

4855 ballots (0 over voted ballots, 0 overvotes, 1251 undervotes)

Todd McKnight	3492	96.89%
Write-in	112	3.11%
Total	3604	100.00%
Overvotes	0	
Undervotes	1251	

### City of Sutherlin, Councilor (Vote for 3)

4855 ballots (4 over voted ballots, 12 overvotes, 6593 undervotes)

Larry Whitaker	2858	35.90%
Joe Groussman	2293	28.81%
Seth Vincent	2648	33.27%
Write-in	115	1.44%
Write-in	30	0.38%
Write-in	16	0.20%
Total	7960	100.00%
Overvotes	12	
Undervotes	6593	

I certify the votes recorded on  
this abstract correctly  
summarize the tally of votes  
cast at the election indicated.

Daniel J. Loomis  
Douglas County Clerk  
November 23<sup>rd</sup>, 2020



## **About Overvotes and Undervotes**

When votes are counted for an election, there are instances in which individual ballots do not contain valid votes. This can happen for two reasons: overvoting and undervoting. When overvotes and undervotes occur, it can mean that your votes are canceled or you do not cast as many votes as you are permitted to.

### **Overvotes**

An Overvote happens when you vote for more candidates than the number of candidates you are permitted to vote for in a particular office race.

Overvotes can only occur when voting on an optical scan or paper ballot voting system. Overvotes cannot occur when voting on a direct recording electronic voting system.

### **How to Avoid an Overvote**

To avoid overvoting when using an optical scan or paper ballot voting system:

Be sure to read the voting instructions for the voting system used in your election district. Examples of instructions for voting include: "Vote for One," "Vote for not more than Two," or "Vote for not more than Three."

If you accidentally vote for more than the allowed number of candidates for a particular office, ask for a new ballot before the defective ballot is cast. If you have not cast the ballot, the District Board of Elections is obligated to provide you with a replacement ballot upon request.

### **Undervoting**

Undervoting means that you cast fewer votes for a particular office race than you are permitted to cast. Unlike overvoting, you have the right to undervote if you choose to do so. No ballot or vote will be canceled as a result of an undervote.

### **Ask for Help**

If you are confused as to whether you have overvoted or undervoted, please do not hesitate to ask for assistance from a member of the Douglas County Elections Department.



126 E. Central Avenue  
Sutherlin, OR 97479  
541-459-2856  
Fax: 541-459-9363  
[www.cityofsutherlin.com](http://www.cityofsutherlin.com)

## City of Sutherlin

STAFF REPORT					
<b>Re: Resolution 2020.20 - Establishing the South Calapooia Street Sewer Reimbursement District.</b>				Meeting Date:	12-14-2020
<b>Purpose:</b>	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
<b>Submitted By: Brian Elliott, Community Development Director</b>				City Manager Review	<input checked="" type="checkbox"/>
<b>Attachments:</b>	<b>Reimbursement District Options, Resolution Options 1-4, Exhibit A with attachments and Exhibit B with attachments</b>				

### WHAT IS BEING ASKED OF COUNCIL?

City Council is being asked to approve Resolution 2020.20 - Establishing the South Calapooia Street Sewer Reimbursement District.

### EXPLANATION

On August 14, 2019 City of Sutherlin entered into a service agreement with The Dyer Partnership Engineers & Planners, Inc. for design and construction management in the amount of \$22,500.00 for the South Calapooia Low Pressure Force Main.

On February 2, 2020 City Council awarded the contract to Cradar Enterprises Inc. in the amount of \$88,538.00 for the South Calapooia Low Pressure Force Main Extension. Approximately 1,710 lineal feet of 4 inch C900 PVC sewer force main was installed with an open trench, 66 lineal feet of 4" C900 PVC sewer force main by horizontal directional bore.

This project was financed through the Wastewater Construction Fund and was identified to be paid back by a Reimbursement District. Ten lots (Subsequently Benefited Properties: R53664, R53671, R53678, R53692, R53713, R53706, R53286, R53279, R53272, R53685), may benefit from the extension, if and when they connect to the sewer main. Each property would be subject to one (1) sewer reimbursement amount, without further cost with the exception of the city connection fee as imposed by the fee schedule (currently \$490). Additional connections would be charged current SDC rates.

Staff's recommendation, based on various zoning, topography, wetlands and size of parcels would be payment option 3.

### OPTIONS

Approve Resolution 2020.20 - Establishing the South Calapooia Street Sewer Reimbursement District Payment Option 3, based on total project cost (\$117,750.05 divided by number of lots 10 = \$11,775.00).

Not approve resolution 2020.20 - Establishing the South Calapooia Street Sewer Reimbursement District Payment Option 3, based on total project cost (\$117,750.05 divided by number of lots 10 = \$11,775.00).

### SUGGESTED MOTION(S)

Approve Resolution 2020.20 - Establishing the South Calapooia Street Sewer Reimbursement District Payment Option 3, based on total project cost (\$117,750.05 divided by number of lots 10 = \$11,775.00).

## Reimbursement District South Calapooia 4" Low Pressure Forcemain Extension

### Calculations Options for Payment

Property ID	sqft/acre	option 1 Sqft	option 2 linft	option 3 10 lots	option 4 developable
1. R53664	548,420.40/12.59	\$20,416.93	\$10,220.04	\$11,775.00	\$7,231.01
2. R53671	571,942.80/13.13	\$21,292.64	\$10,210.85	\$11,775.00	\$7,224.50
3. R53678	608,968.80/13.98	\$22,671.06	\$10,724.48	\$11,775.00	\$7,587.92
4. R53692	133,293.60/3.06	\$4,962.34	\$8,130.50	\$11,775.00	\$5,752.29
5. R53713	80,586.00/1.85	\$3,000.10	\$5,226.85	\$11,775.00	\$13,437.05
6. R53706	204,732.00/4.70	\$7,621.89	\$13,329.42	\$11,775.00	\$34,137.38
7. R53286	251,341.20/5.77	\$9,357.08	\$31,455.14	\$11,775.00	\$22,255.53
8. R53279	196,891.20/4.52	\$7,329.99	\$10,156.06	\$11,775.00	\$7,185.74
9. R53272	192,970.80/4.43	\$7,184.04	\$10,156.06	\$11,775.00	\$7,185.74
10. R53685	373,744.80/8.58	\$13,914.00	\$8,130.50	\$11,775.00	\$5,752.59

**Option 1** is based on total square footage per lot X (\$0.037228612/sqft).

**Option 2** is based on price per lineal foot (\$35.35), times lot frontage lineal feet.

**Option 3** is based on total cost of project (\$117,750.05), divided by 10 lots.

**Option 4** is based on estimated developable lot usage square footage X (\$0.166741788/sqft).

#### Project cost:

Engineering Design/Construction Management	\$22,500.00
Construction Cost with change orders 1 & 2	\$94,018.21
News Review Advertisement	\$645.54
Daily Journal Commerce	586.30
<b>Total Project Cost</b>	<b>\$ 117,750.05</b>

**RESOLUTION NO. 2020.20**

**A RESOLUTION ESTABLISHING THE SOUTH CALAPOOIA STREET  
SEWER REIMBURSEMENT DISTRICT.**

**The City Council of Sutherlin finds that:**

- A.** The City of Sutherlin (the “City”) is authorized, pursuant to Oregon Constitution, Art. 11, Sec. 2; ORS 221.410(1); the Charter of the City of Sutherlin, Sec. 4; and SMC 13.12.280.C and F., to establish a sewer reimbursement district.
- B.** City of Sutherlin entered into a Contract Agreement with Cradar Enterprises, Inc. (“Contractor”) to install sewer line extensions to their properties on South Calapooia Street (the “Work”). The Contract Agreement, the specifications, a description of the project costs and the affected properties, and a map of the affected property are attached hereto as Exhibit A.
- C.** Contractor agreed, that work performed, met minimum prequalified standards and material specifications set by the City, including, but not limited to, insurance requirements, bonding requirements and experience in the field of sewer line installation.
- D.** Contractor guaranteed that the materials and workmanship used to perform the Work was new, unless otherwise specified, was of good quality, free from faults or defects, and in conformance with all applicable City, state and federal specifications, rules and regulations for a period of one year from the date of completion, and acceptance, of the Work by City of Sutherlin.
- E.** Prior to entering into the Contract Agreement with Contractor, The Dyer Partnership Engineers & Planners, Inc., provided the City with a cost estimate for the Work.
- F.** City of Sutherlin agreed to pay the cost of the installation of the sewer line extension.
- G.** The sewer line extension shall be extended through or adjacent to properties on South Calapooia Street. Such properties may subsequently benefit from the extension if and when they connect to a main sewer extension (“Subsequently Benefitted Property”).
- H.** The City is establishing a sewer reimbursement District, pursuant to SMC 13.12.280.C., on South Calapooia Street, for the cost of the installation of the sewer line extensions when the owners of the Subsequently Benefitted Property subsequently connect to a main sewer extension and pay the Connection Charge.

**NOW, THEREFORE, based upon the above findings,**



## OPTION #1

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUTHERLIN, a Municipal Corporation of the State of Oregon, as follows:**

**Section 1. Establishment of South Calapooia Street Sewer Reimbursement District.** The City Council hereby establishes the South Calapooia Street Sewer Reimbursement District.

**Section 2. Sewer Reimbursement District Agreement.** The City Council creates this agreement, by resolution, to outline the required criteria set forth in SMC 13.12.280.C. and F., regarding sewer reimbursement districts (“Sewer Reimbursement District Agreement”).

**Section 3. Reimbursable Amount.** The reimbursable amount shall not exceed \$117,750.05 (One-hundred seventeen thousand seven-hundred fifty dollars and five cents). No interest shall be allowed in computing the total reimbursable amount.

**Section 4. Reimbursement Entitlement Period.** The reimbursement entitlement period shall not exceed 10 years following completion of the Work.

**Section 5. Calculation of Connection Charge.** The wastewater connection charge will be based upon an area formula consisting of proportionately equal connection charges to be calculated as follows and are attached hereto as Exhibit B:

$$\frac{(Total\ Project\ Costs) \times (Area\ of\ property\ requesting\ service)}{(Total\ area\ served\ by\ the\ extension)}$$

The average water usage associated with 1 EDU is 256 gallons per day. A single EDU is defined as demand placed on the system by a ¾” water meter and is typical of a Single Family Dwelling. Meter or meter capacity installed only for firefighting capacity shall not be subject to addition EDU (s) connection charges. An adjustment shall be made based on the meter size required were firefighting capacity is not provided.

The total project costs shall cover all costs related to the project, including but not limited to, the material, installation, inspection, engineering and overhead costs.

**Section 6. Administrator of Sewer Reimbursement District.** The Community Development Director or his designee shall serve as the Administrator of the South Calapooia Sewer Reimbursement District. The Administrator’s duties shall include, but are not limited to:

- a. Being responsible for calculating and obtaining the Connection Charge from the owners of the Subsequently Benefitted Property; and,
- b. Such other duties as necessary to administer the reimbursement district.

**Section 7.** Each adjacent property owner shall be subject to one (1) sewer reimbursement amount per lot without further cost with the exception of the city connection/hook-up fee as imposed by the City of Sutherlin Fee Schedule at the actual time of connection; an EDU is as

## OPTION #1

defined in Section 5. Every EDU exceeding the allotted EDU's shall be responsible for district connection charge, sewer SDC's, City connection/hook-up fee, and any an all fees imposed by the city.

**Section 8.** This Resolution shall become effective immediately upon its adoption.

**PASSED BY THE CITY COUNCIL ON THIS \_\_\_\_ DAY OF \_\_\_\_, 2020**

**APPROVED BY THE MAYOR ON THIS \_\_\_\_ DAY OF \_\_\_\_, 2020**

\_\_\_\_\_  
**Todd McKnight, Mayor**

**Attest:**

\_\_\_\_\_  
**Diane Harris, City Recorder**

**EXHIBIT A**  
**to**  
**RESOLUTION NO. 2020.20**

- 1. MAP OF AFFECTED PROPERTY, ZONING, LOCATION OF REIMBURSEMENT DISTRICT LOW PRESSURE FORCEMAIN.**
- 2. MAP OF DEPARTMENT OF STATE LANDS (DSL) 2020 WETLANDS OVERLAY.**
- 3. ENGINEER COST ESTIMATE.**
- 4. BID DOCUMENTATION.**
- 5. ENGINEERING CONTRACT AGREEMENT.**
- 6. CONSTRUCTION/SPECIFICATIONS CONTRACT (CRADAR INTERPRISES, INC.**

**EXHIBIT B**  
**to**  
**RESOLUTION NO. 2020.20**

**Reimbursement District South Calapooia 4" Low Pressure Forcemain**

Property ID	sqft/acre	option 1 Sqft
1. R53664	548,420.40/12.59	\$20,416.93
2. R53671	571,942.80/13.13	\$21,292.64
3. R53678	608,968.80/13.98	\$22,671.06
4. R53692	133,293.60/3.06	\$4,962.34
5. R53713	80,586.00/1.85	\$3,000.10
6. R53706	204,732.00/4.70	\$7,621.89
7. R53286	251,341.20/5.77	\$9,357.08
8. R53279	196,891.20/4.52	\$7,329.99
9. R53272	192,970.80/4.43	\$7,184.04
10. R53685	373,744.80/8.58	\$13,914.00

**Option 1** is based on total square footage per lot X (\$0.037228612/sqft).

**RESOLUTION NO. 2020.20**

**A RESOLUTION ESTABLISHING THE SOUTH CALAPOOIA STREET  
SEWER REIMBURSEMENT DISTRICT.**

**The City Council of Sutherlin finds that:**

- A.** The City of Sutherlin (the “City”) is authorized, pursuant to Oregon Constitution, Art. 11, Sec. 2; ORS 221.410(1); the Charter of the City of Sutherlin, Sec. 4; and SMC 13.12.280.C and F., to establish a sewer reimbursement district.
- B.** City of Sutherlin entered into a Contract Agreement with Cradar Enterprises, Inc. (“Contractor”) to install sewer line extensions to their properties on South Calapooia Street (the “Work”). The Contract Agreement, the specifications, a description of the project costs and the affected properties, and a map of the affected property are attached hereto as Exhibit A.
- C.** Contractor agreed, that work performed, met minimum prequalified standards and material specifications set by the City, including, but not limited to, insurance requirements, bonding requirements and experience in the field of sewer line installation.
- D.** Contractor guaranteed that the materials and workmanship used to perform the Work was new, unless otherwise specified, was of good quality, free from faults or defects, and in conformance with all applicable City, state and federal specifications, rules and regulations for a period of one year from the date of completion, and acceptance, of the Work by City of Sutherlin.
- E.** Prior to entering into the Contract Agreement with Contractor, The Dyer Partnership Engineers & Planners, Inc., provided the City with a cost estimate for the Work.
- F.** City of Sutherlin agreed to pay the cost of the installation of the sewer line extension.
- G.** The sewer line extension shall be extended through or adjacent to properties on South Calapooia Street. Such properties may subsequently benefit from the extension if and when they connect to a main sewer extension (“Subsequently Benefitted Property”).
- H.** The City is establishing a sewer reimbursement District, pursuant to SMC 13.12.280.C., on South Calapooia Street, for the cost of the installation of the sewer line extensions when the owners of the Subsequently Benefitted Property subsequently connect to a main sewer extension and pay the Connection Charge.

NOW, THEREFORE, based upon the above findings,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUTHERLIN, a Municipal Corporation of the State of Oregon, as follows:

**Section 1. Establishment of South Calapooia Street Sewer Reimbursement District.** The City Council hereby establishes the South Calapooia Street Sewer Reimbursement District.

**Section 2. Sewer Reimbursement District Agreement.** The City Council creates this agreement, by resolution, to outline the required criteria set forth in SMC 13.12.280.C. and F., regarding sewer reimbursement districts (“Sewer Reimbursement District Agreement”).

**Section 3. Reimbursable Amount.** The reimbursable amount shall not exceed \$117,750.05 (One-hundred seventeen thousand seven-hundred fifty dollars and five cents). No interest shall be allowed in computing the total reimbursable amount.

**Section 4. Reimbursement Entitlement Period.** The reimbursement entitlement period shall not exceed 10 years following completion of the Work.

**Section 5. Calculation of Connection Charge.** The wastewater connection charge will be based upon an area formula consisting of proportionately equal connection charges to be calculated as follows and are attached hereto as Exhibit B:

$$(Total\ Project\ Costs) / (Total\ Lineal\ Ft\ of\ Service\ Area) \times (Parcel\ Lineal\ Footage)$$

The average water usage associated with 1 EDU is 256 gallons per day. A single EDU is defined as demand placed on the system by a ¾” water meter and is typical of a Single Family Dwelling. Meter or meter capacity installed only for firefighting capacity shall not be subject to addition EDU (s) connection charges. An adjustment shall be made based on the meter size required were firefighting capacity is not provided.

The total project costs shall cover all costs related to the project, including but not limited to, the material, installation, inspection, engineering and overhead costs.

**Section 6. Administrator of Sewer Reimbursement District.** The Community Development Director or his designee shall serve as the Administrator of the South Calapooia Sewer Reimbursement District. The Administrator’s duties shall include, but are not limited to:

- a. Being responsible for calculating and obtaining the Connection Charge from the owners of the Subsequently Benefitted Property; and,
- b. Such other duties as necessary to administer the reimbursement district.

**Section 7.** Each adjacent property owner shall be subject to one (1) sewer reimbursement amount per lot without further cost with the exception of the city connection/hook-up fee as

## OPTION #2

imposed by the City of Sutherlin Fee Schedule at the actual time of connection; an EDU is as defined in Section 5. Every EDU exceeding the allotted EDU's shall be responsible for district connection charge, sewer SDC's, City connection/hook-up fee, and any an all fees imposed by the city.

**Section 8.** This Resolution shall become effective immediately upon its adoption.

**PASSED BY THE CITY COUNCIL ON THIS \_\_\_\_ DAY OF \_\_\_\_, 2020**

**APPROVED BY THE MAYOR ON THIS \_\_\_\_ DAY OF \_\_\_\_, 2020**

\_\_\_\_\_  
**Todd McKnight, Mayor**

**Attest:**

\_\_\_\_\_  
**Diane Harris, City Recorder**

**EXHIBIT A  
to  
RESOLUTION NO. 2020.20**

- 1. MAP OF AFFECTED PROPERTY, ZONING, LOCATION OF REIMBURSEMENT DISTRICT LOW PRESSURE FORCEMAIN.**
- 2. MAP OF DEPARTMENT OF STATE LANDS (DSL) 2020 WETLANDS OVERLAY.**
- 3. ENGINEER COST ESTIMATE.**
- 4. BID DOCUMENTATION.**
- 5. ENGINEERING CONTRACT AGREEMENT.**
- 6. CONSTRUCTION/SPECIFICATIONS CONTRACT (CRADAR INTERPRISES, INC.**



**EXHIBIT B**  
**to**  
**RESOLUTION NO. 2020.20**

**Reimbursement District South Calapooia 4" Low Pressure Forcemain**

**Calculations Options for Payment**

Property ID	sqft/acre	option 2 linft
1. R53664	548,420.40/12.59	\$10,220.04
2. R53671	571,942.80/13.13	\$10,210.85
3. R53678	608,968.80/13.98	\$10,724.48
4. R53692	133,293.60/3.06	\$8,130.50
5. R53713	80,586.00/1.85	\$5,226.85
6. R53706	204,732.00/4.70	\$13,329.42
7. R53286	251,341.20/5.77	\$31,455.14
8. R53279	196,891.20/4.52	\$10,156.06
9. R53272	192,970.80/4.43	\$10,156.06
10. R53685	373,744.80/8.58	\$8,130.50

**Option 2** is based on price per lineal foot (\$35.35), times lot frontage lineal feet.

**RESOLUTION NO. 2020.20**

**A RESOLUTION ESTABLISHING THE SOUTH CALAPOOIA STREET  
SEWER REIMBURSEMENT DISTRICT.**

**The City Council of Sutherlin finds that:**

- A.** The City of Sutherlin (the “City”) is authorized, pursuant to Oregon Constitution, Art. 11, Sec. 2; ORS 221.410(1); the Charter of the City of Sutherlin, Sec. 4; and SMC 13.12.280.C and F., to establish a sewer reimbursement district.
- B.** City of Sutherlin entered into a Contract Agreement with Cradar Enterprises, Inc. (“Contractor”) to install sewer line extensions to their properties on South Calapooia Street (the “Work”). The Contract Agreement, the specifications, a description of the project costs and the affected properties, and a map of the affected property are attached hereto as Exhibit A.
- C.** Contractor agreed, that work performed, met minimum prequalified standards and material specifications set by the City, including, but not limited to, insurance requirements, bonding requirements and experience in the field of sewer line installation.
- D.** Contractor guaranteed that the materials and workmanship used to perform the Work was new, unless otherwise specified, was of good quality, free from faults or defects, and in conformance with all applicable City, state and federal specifications, rules and regulations for a period of one year from the date of completion, and acceptance, of the Work by City of Sutherlin.
- E.** Prior to entering into the Contract Agreement with Contractor, The Dyer Partnership Engineers & Planners, Inc., provided the City with a cost estimate for the Work.
- F.** City of Sutherlin agreed to pay the cost of the installation of the sewer line extension.
- G.** The sewer line extension shall be extended through or adjacent to properties on South Calapooia Street. Such properties may subsequently benefit from the extension if and when they connect to a main sewer extension (“Subsequently Benefitted Property”).
- H.** The City is establishing a sewer reimbursement District, pursuant to SMC 13.12.280.C., on South Calapooia Street, for the cost of the installation of the sewer line extensions when the owners of the Subsequently Benefitted Property subsequently connect to a main sewer extension and pay the Connection Charge.

**NOW, THEREFORE, based upon the above findings,**

## OPTION #3

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUTHERLIN, a Municipal Corporation of the State of Oregon, as follows:**

**Section 1. Establishment of South Calapooia Street Sewer Reimbursement District.** The City Council hereby establishes the South Calapooia Street Sewer Reimbursement District.

**Section 2. Sewer Reimbursement District Agreement.** The City Council creates this agreement, by resolution, to outline the required criteria set forth in SMC 13.12.280.C. and F., regarding sewer reimbursement districts (“Sewer Reimbursement District Agreement”).

**Section 3. Reimbursable Amount.** The reimbursable amount shall not exceed \$117,750.05 (One-hundred seventeen thousand seven-hundred fifty dollars and five cents). No interest shall be allowed in computing the total reimbursable amount.

**Section 4. Reimbursement Entitlement Period.** The reimbursement entitlement period shall not exceed 10 years following completion of the Work.

**Section 5. Calculation of Connection Charge.** The wastewater connection charge will be based upon an area formula consisting of proportionately equal connection charges to be calculated as follows and are attached hereto as Exhibit B:

$$\frac{(Total\ Project\ Costs) \times (Area\ of\ property\ requesting\ service)}{(Total\ area\ served\ by\ the\ extension)}$$

The average water usage associated with 1 EDU is 256 gallons per day. A single EDU is defined as demand placed on the system by a ¾” water meter and is typical of a Single Family Dwelling. Meter or meter capacity installed only for firefighting capacity shall not be subject to addition EDU (s) connection charges. An adjustment shall be made based on the meter size required were firefighting capacity is not provided.

The total project costs shall cover all costs related to the project, including but not limited to, the material, installation, inspection, engineering and overhead costs.

**Section 6. Administrator of Sewer Reimbursement District.** The Community Development Director or his designee shall serve as the Administrator of the South Calapooia Sewer Reimbursement District. The Administrator’s duties shall include, but are not limited to:

- a. Being responsible for calculating and obtaining the Connection Charge from the owners of the Subsequently Benefitted Property; and,
- b. Such other duties as necessary to administer the reimbursement district.

**Section 7.** Each adjacent property owner shall be subject to one (1) sewer reimbursement amount per lot without further cost with the exception of the city connection/hook-up fee as imposed by the City of Sutherlin Fee Schedule at the actual time of connection; an EDU is as

## OPTION #3

defined in Section 5. Every EDU exceeding the allotted EDU's shall be responsible for district connection charge, sewer SDC's, City connection/hook-up fee, and any an all fees imposed by the city.

**Section 8.** This Resolution shall become effective immediately upon its adoption.

**The foregoing Resolution adopted this \_\_\_\_ day of \_\_\_\_, 2020.**

\_\_\_\_\_  
Todd McKnight, Mayor

**Attest:**

\_\_\_\_\_  
Diane Harris, City Recorder

**EXHIBIT A  
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- 6. CONSTRUCTION/SPECIFICATIONS CONTRACT (CRADAR INTERPRISES, INC.**

**EXHIBIT B**  
**to**  
**RESOLUTION NO. 2020.20**

**REIMBURSEMENT COSTS TO SUBJECT PROPERTIES**

**Calculations Options for Payment**

Property ID	sqft/acre	option 3 10 lots
1. R53664	548,420.40/12.59	\$11,775.00
2. R53671	571,942.80/13.13	\$11,775.00
3. R53678	608,968.80/13.98	\$11,775.00
4. R53692	133,293.60/3.06	\$11,775.00
5. R53713	80,586.00/1.85	\$11,775.00
6. R53706	204,732.00/4.70	\$11,775.00
7. R53286	251,341.20/5.77	\$11,775.00
8. R53279	196,891.20/4.52	\$11,775.00
9. R53272	192,970.80/4.43	\$11,775.00
10. R53685	373,744.80/8.58	\$11,775.00

**Option 3** is based on total cost of project (\$117,750.05), divided by 10 lots.

**RESOLUTION NO. 2020.20**

**A RESOLUTION ESTABLISHING THE SOUTH CALAPOOIA STREET  
SEWER REIMBURSEMENT DISTRICT.**

**The City Council of Sutherlin finds that:**

- A.** The City of Sutherlin (the “City”) is authorized, pursuant to Oregon Constitution, Art. 11, Sec. 2; ORS 221.410(1); the Charter of the City of Sutherlin, Sec. 4; and SMC 13.12.280.C and F., to establish a sewer reimbursement district.
- B.** City of Sutherlin entered into a Contract Agreement with Cradar Enterprises, Inc. (“Contractor”) to install sewer line extensions to their properties on South Calapooia Street (the “Work”). The Contract Agreement, the specifications, a description of the project costs and the affected properties, and a map of the affected property are attached hereto as Exhibit A.
- C.** Contractor agreed, that work performed, met minimum prequalified standards and material specifications set by the City, including, but not limited to, insurance requirements, bonding requirements and experience in the field of sewer line installation.
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- F.** City of Sutherlin agreed to pay the cost of the installation of the sewer line extension.
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NOW, THEREFORE, based upon the above findings,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUTHERLIN, a Municipal Corporation of the State of Oregon, as follows:

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**Section 4. Reimbursement Entitlement Period.** The reimbursement entitlement period shall not exceed 10 years following completion of the Work.

**Section 5. Calculation of Connection Charge.** The wastewater connection charge will be based upon an area formula consisting of proportionately equal connection charges to be calculated as follows and are attached hereto as Exhibit B:

$$\frac{(Total\ Project\ Costs) \times (Area\ of\ property\ requesting\ service)}{(Total\ estimated\ developable\ area\ served\ by\ the\ extension)}$$

The average water usage associated with 1 EDU is 256 gallons per day. A single EDU is defined as demand placed on the system by a ¾” water meter and is typical of a Single Family Dwelling. Meter or meter capacity installed only for firefighting capacity shall not be subject to addition EDU (s) connection charges. An adjustment shall be made based on the meter size required were firefighting capacity is not provided.

The total project costs shall cover all costs related to the project, including but not limited to, the material, installation, inspection, engineering and overhead costs.

**Section 6. Administrator of Sewer Reimbursement District.** The Community Development Director or his designee shall serve as the Administrator of the South Calapooia Sewer Reimbursement District. The Administrator’s duties shall include, but are not limited to:

- a. Being responsible for calculating and obtaining the Connection Charge from the owners of the Subsequently Benefitted Property; and,
- b. Such other duties as necessary to administer the reimbursement district.



## OPTION #4

**Section 7.** Each adjacent property owner shall be subject to one (1) sewer reimbursement amount per lot without further cost with the exception of the city connection/hook-up fee as imposed by the City of Sutherlin Fee Schedule at the actual time of connection; an EDU is as defined in Section 5. Every EDU exceeding the allotted EDU's shall be responsible for district connection charge, sewer SDC's, City connection/hook-up fee, and any an all fees imposed by the city.

**Section 8.** This Resolution shall become effective immediately upon its adoption.

**PASSED BY THE CITY COUNCIL ON THIS \_\_\_\_ DAY OF \_\_\_\_, 2020**

**APPROVED BY THE MAYOR ON THIS \_\_\_\_ DAY OF \_\_\_\_, 2020**

\_\_\_\_\_  
**Todd McKnight, Mayor**

**Attest:**

\_\_\_\_\_  
**Diane Harris, City Recorder**

**EXHIBIT A  
to  
RESOLUTION NO. 2020.20**

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- 2. MAP OF DEPARTMENT OF STATE LANDS (DSL) 2020 WETLANDS OVERLAY.**
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- 6. CONSTRUCTION/SPECIFICATIONS CONTRACT (CRADAR INTERPRISES, INC.**

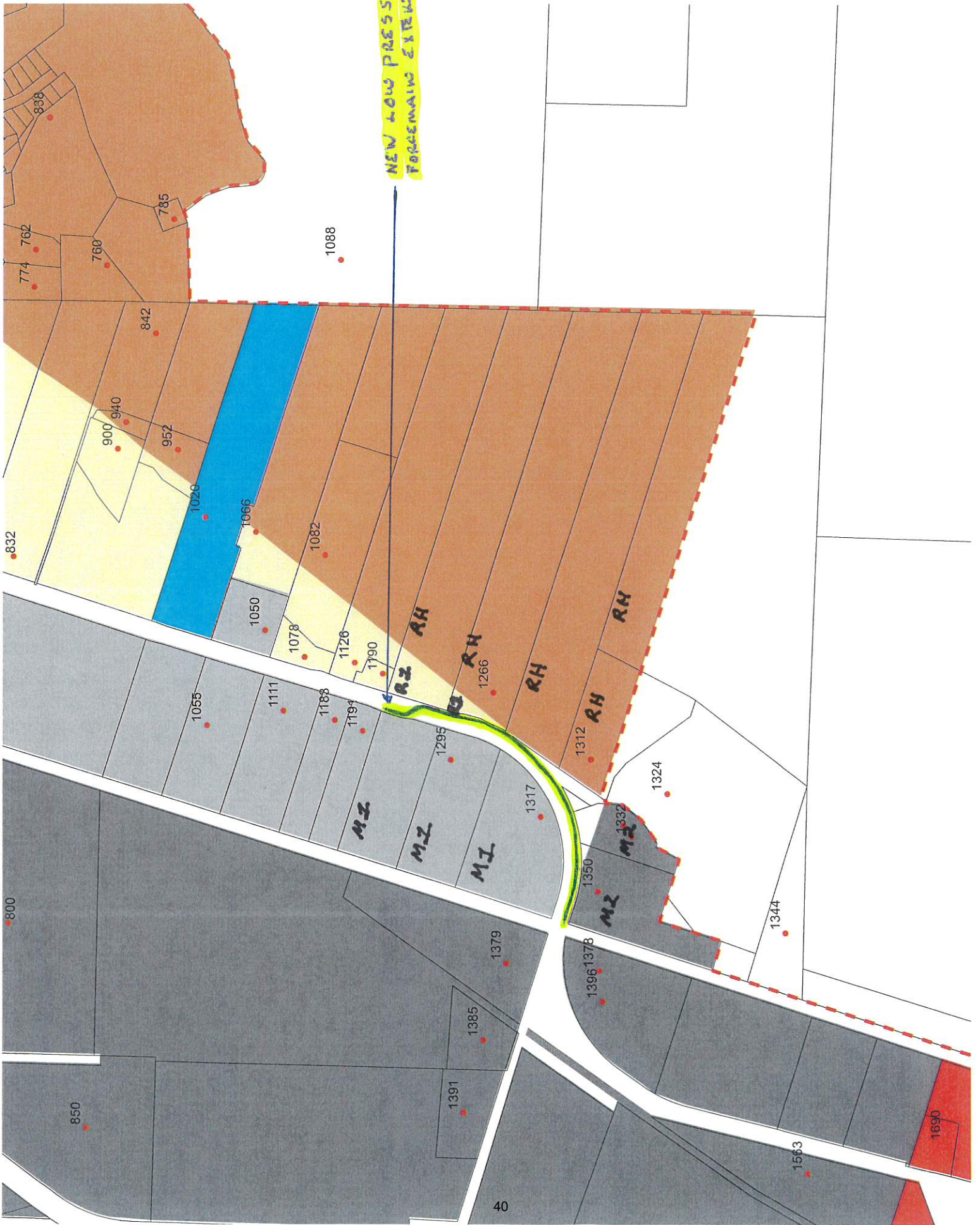
**EXHIBIT B**  
**to**  
**RESOLUTION NO. 2020.20**

**Reimbursement District South Calapooia 4" Low Pressure Forcemain**

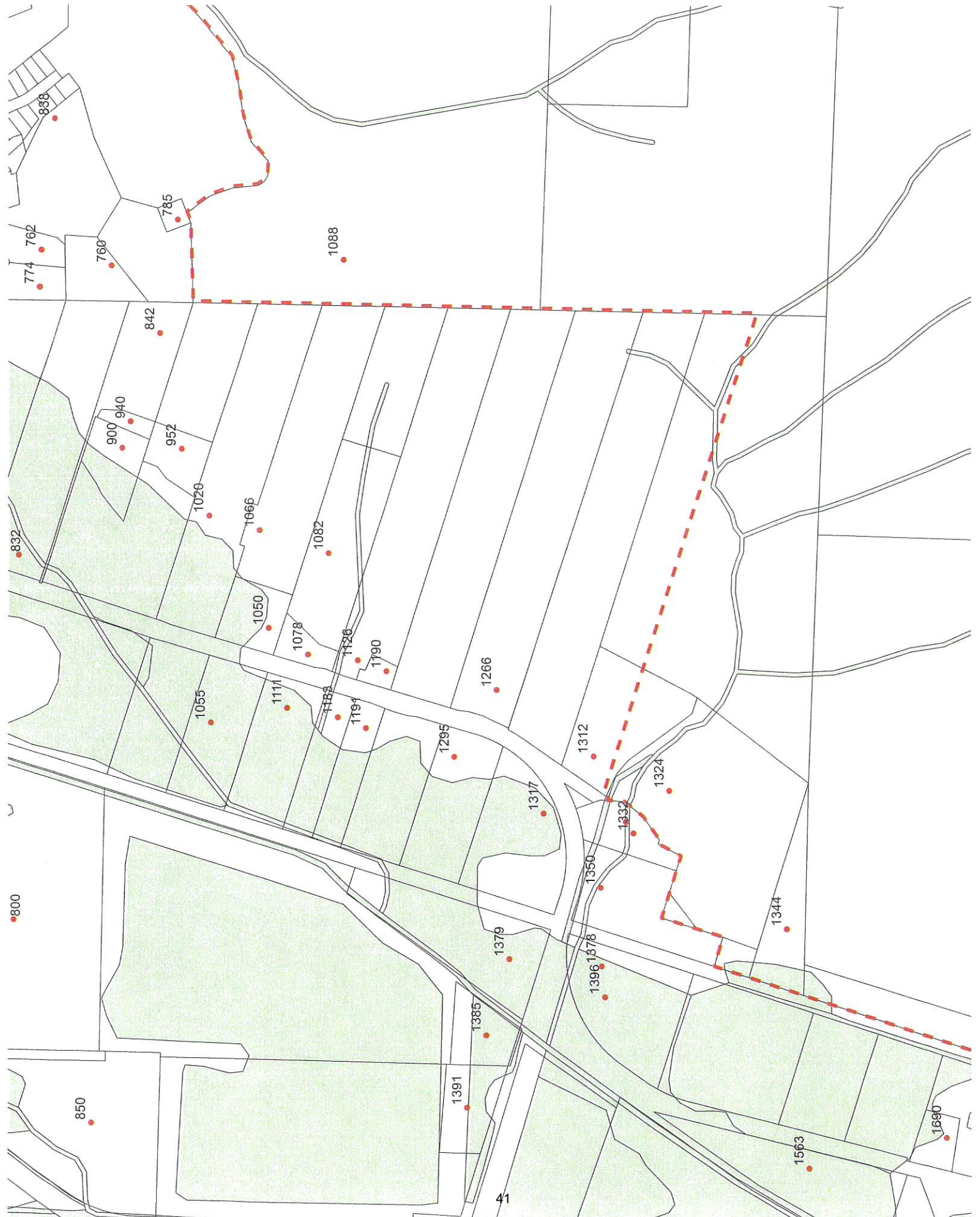
**Calculations Options for Payment**

Property ID	sqft/acre	<b>option 4</b> estimated developable
1. R53664	548,420.40/12.59	\$7,231.01
2. R53671	571,942.80/13.13	\$7,224.50
3. R53678	608,968.80/13.98	\$7,587.92
4. R53692	133,293.60/3.06	\$5,752.29
5. R53713	80,586.00/1.85	\$13,437.05
6. R53706	204,732.00/4.70	\$34,137.38
7. R53286	251,341.20/5.77	\$22,255.53
8. R53279	196,891.20/4.52	\$7,185.74
9. R53272	192,970.80/4.43	\$7,185.74
10. R53685	373,744.80/8.58	\$5,752.59

**Option 4** is based on estimated developable lot usage square footage X (\$0.166741788/sqft).







## Exhibit A3

CITY OF SUTHERLIN, OR

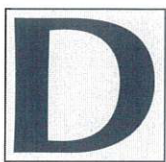
January 2, 2020

## STEP SEWER MAIN EXPANSION

The Dyer Partnership Engineers &amp; Planners, Inc.

## Engineer's Cost Estimate

Item No.	Description	Quantity	Unit	Unit Price	Total
<b>A. STEP Sewer Main Construction</b>					
1	Construction Facilities & Temp. Controls	1	LS	\$3,500.00	\$3,500.00
2	Demolition and Site Preparation	1	LS	\$1,500.00	\$1,500.00
3	Landscaping	1	LS	\$1,000.00	\$1,000.00
4	Misc. Fittings and Hardware	1	LS	\$1,000.00	\$1,000.00
5	AC Pavement Replacement	300	SF	\$25.00	\$7,500.00
6	4" Transition Coupling	1	EA	\$500.00	\$500.00
7	4" C900 PVC LP Main, Class B Backfill	1,446	LF	\$55.00	\$79,530.00
9	4" Fusible PVC by HDD	275	LF	\$100.00	\$27,500.00
10	4" Transition Coupling	1	EA	\$500.00	\$500.00
11	Air Release Valve Assembly W/ Access Riser	1	EA	\$2,000.00	\$2,000.00
12	4" Clean-Out Valve Assembly W/ Access Riser	1	EA	\$500.00	\$500.00
13	4" Fittings for Bends	6	EA	\$325.00	\$1,950.00
14	1 1/2" Service Line W/ Check & Ball Valves	11	EA	\$525.00	\$5,775.00
<b>Construction Cost Estimate</b>					<b>\$132,755.00</b>
<b>B. Permitting</b>					
7	ROW Permit With County-30 days	All	LS	\$500.00	\$500.00
<b>Permit Cost Estimate</b>					<b>\$500.00</b>
<b>Total Construction &amp; Permitting Cost Estimate</b>					<b>\$133,255.00</b>
				Contingency	\$20,000.00
				Engineering/CM	\$27,000.00
<b>TOTAL PROJECT COST</b>					<b>\$180,300.00</b>



THE DYER PARTNERSHIP  
ENGINEERS & PLANNERS, INC.

February 19, 2020

Jerry Gillham, City Manager  
City of Sutherlin  
126 E Central Avenue  
Sutherlin, OR 97479

RE: City of Sutherlin  
HWY 99 STEP Sewer Extension  
Project No. 146.51

Dear Mr. Gillham:

This letter is to recommend action by the City of Sutherlin in response to the bids received on February 18, 2020 at 2:00 PM for the above referenced project. Five bids were received. The company contact information was not completed on the bid forms by Basco Logging, Inc. and H&J Construction resulting in minor irregularities. All five bids were responsive and responsible. The bids were in the following amounts:

1. \$88,538.00 by Cradar Enterprises, Inc.
2. \$115,943.00 by Basco Logging, Inc.
3. \$142,498.00 by Knife River Materials
4. \$165,000.00 by H&J Construction
5. \$179,475.00 by Pacific Excavation, Inc.

We recommend that the City of Sutherlin take the following action:

1. Accept the bids.
2. Award a contract to Cradar Enterprises, Inc. in the amount of \$88,538.00.

It is our opinion that Cradar Enterprises, Inc. has sufficient experience and qualifications to satisfactorily construct the project.

Assuming the City of Sutherlin and Council concurs with our recommendation; we have enclosed three copies of the Notice of Award. A representative for the City needs to sign all three copies after which they should be returned to our office. (*Please do not date the Notice of Award.*) We will date the Award following notification that the City of Sutherlin accepts the bids and is determined to award the project.


Pursuant to ORS279C.835, the Oregon Bureau of Labor and Industries requires that Form WH-81 be filled out by the contracting agency and sent to them with a copy of the first-tier subcontractor form, if applicable (ORS 279C.370), within 30 days of issuing the Notice of Award. The form is available at:

<https://www.oregon.gov/boli/WHD/PWR/docs/wh81.pdf>

The Owner is also responsible for payment of a Public Works fee to the Bureau of Labor & Industries. This payment is accompanied by Form WH-39 which is available at:

<https://www.oregon.gov/boli/WHD/PWR/docs/wh39.pdf>

Sincerely,

  
Jesten Brenner, PE  
Project Engineer

# Exhibit A5

## **CITY OF SUTHERLIN HIGHWAY 99 STEP SEWER MAIN EXTENSION SCOPE OF ENGINEERING SERVICES**

### **BACKGROUND**

This Scope of Engineering Services summarizes work related to extending the Septic Tank Effluent Pumping (STEP) system force main as defined in the enclosed preliminary site plan. This project is necessary to provide sewer service to residents and businesses in the area. The work tasks itemized below describe the major tasks related to the scope of work.

The existing 4" diameter STEP sewer main will be extended south approximately 1,660 linear feet, and located within the west shoulder right-of-way of Highway 99. The 4" diameter STEP sewer will terminate immediately prior to the Union Pacific Railroad crossing. The proposed alignment assumes that the 4" diameter STEP sewer main will be installed in the shoulder, similar to the South Calapooia Sanitary Improvement Project (2010).

The additional residential and commercial connections will increase flows and loads to the existing odor and corrosion control station, as shown in South Calapooia Sanitary Improvement Project (2010). According to Orenco Systems, Inc., the odor and corrosion control station was designed for approximately 10,000 gpd, but designed for expansion, if necessary, based on actual wastewater flows. The scope of this task order excludes an expansion to the odor and control station, which may be necessary in the future based on actual wastewater flows and loads.

### **Task 1 - Preliminary Services**

- A. Provide a detailed site survey to identify existing utilities, property boundaries, and elevations. The survey will be limited to within the easements and property owned by the City, County, and public right-of-way.

### **Task 2 - Coordination**

- A. Coordinate with City Staff, regulatory agencies, and affected utilities.
- B. Conduct design review meetings with City Staff. Arrive at concurrence on such things as items requiring correction, sequence of work, and materials to be used for construction.

### **Task 3 - Design**

- A. Perform final engineering design required for the construction of the STEP sewer main extension and appurtenances.
- B. Prepare updated design plans and cost estimates for City review and comment at 60 and 100 percent design.
- C. Submit final design documents to the City and Oregon Department of Environmental Quality (DEQ) for review and approval.



#### ***Task 4 – Project Quote Solicitation***

Based on the initial construction cost estimate, short-form quote documents will be produced for distribution to at least three contractors. The Dyer Partnership will coordinate and oversee this phase by completing the following tasks:

- A. Prepare short-form quote documents including quoting requirements and contract documents.
- B. Distribute Plans and quote documents to contractors recommended by the City.
- C. Respond to contractor questions and prepare necessary addendums, if needed.
- D. Review bids and recommend contract award based on public contracting rules.
- E. Prepare construction contracts for execution.
- F. Issue Notice of Intent to Award, Notice of Award and Notice to Proceed.

#### ***Task 5 – Construction Management***

- A. Conduct pre-construction conference.
- B. Provide construction staking of proposed improvements.
- C. Administer construction contract. Tabulate payment quantities and recommend payments to the contractor. (City will be responsible for the prevailing wage rate requirements.)
- D. Certify project completion and compliance with construction documents.
- E. Design engineer will make periodic site inspections. Conduct substantial completion inspection with City.

#### ***Task 6 – Observation Services***

- A. Provide part-time, up to 25 hours, resident project representative to observe construction. Resident project representative shall be on-site when the contractor is performing meaningful work. Coordinate anticipated work with the City. Prepare inspection reports for City. Photo-document the construction.

#### ***Task 7 – Testing***

- A. The force main will be tested to ensure that it complies with the performance evaluation criteria. We will certify whether or not the construction meets the requirements.

#### ***Task 8 – Final Closeout***

- A. Conduct final inspection with the City, punch list and back-check of corrective work. Prepare final pay request and review with the City. Provide "As-Built" Drawings based on Contractor's mark-ups. Two paper copies and one electronic copy of the Drawings shall be provided.

**FEE AND SCHEDULE**

**WORK PRODUCT:** All required Construction Plans and Technical Specifications documents for the Highway 99 STEP Sewer Main Extension project.

**START DATE:** TBD

**CONTRACTOR'S CONSIDERATION:** \$22,500 per Attached Estimate of Man Hours and Costs

**PAYMENT METHOD:** Monthly Progress Payments Based on Work Completed

CLIENT: City of Sutherlin



Date: 8/14/2019

ENGINEER: The Dyer Partnership  
Engineers & Planners, Inc.



Steve Major, President

Date: 8-13-19

# ESTIMATE OF MAN HOURS AND COSTS

DATE:

08-03-19

PROJECT: Highway 99 STEP Sewer Main Extension

TASK	MAN HOURS						
	PRINC MNG	PROJ MNGR	PROJ ENGR	ENG TECH	CAD DRAFTER	RES. INSP.	CLERICAL
1 Preliminary Services	2	5	5	5			
2 Coordination	2	5	15	5			
3 Design	2	5	20	10	40		5
4 Bidding and Contracts	1	2	10	10			5
5 Construction Management	1	4	4	4			
6 Observation Services						25	
7 Testing			5	1			
8 Final Closeout	1	2	5	5			
TOTAL ESTIMATED HOURS	0	9	23	64	40	40	25

MATERIAL COSTS	DESCRIPTION OR UNIT	QUANTITY	UNIT COST	TOTAL COST
PHOTOGRAPHS	NA	0	\$0.00	0.00
PLANS AND PRINTS	EA	6	\$40.00	240.00
DRAFT REPORT COPIES	EA	0	\$100.00	0.00
FINAL REPORT COPIES	NA	0	\$100.00	0.00
TOTAL MATERIAL COSTS				\$240.00

TRAVEL AND PER DIEM	DETAIL	QUANTITY	UNIT COST	TOTAL COST
MILEAGE	Mile	100	\$0.56	56.00
MEALS	NA			0.00
PER DIEM	NA			0.00
LOCAL TRANSPORTATION	NA			0.00
LODGING	NA			0.00
TOTAL TRAVEL AND PER DIEM				\$56.00

SUBCONSULTANTS	NUMBER	COST	TOTAL
N/A	0	\$0.00	0.00
TOTAL SUBCONSULTANTS			\$0.00

**SUMMARY  
BREAKDOWN OF PROPOSED FEE**

DATE: 08-03-19 PROJECT: Highway 99 STEP Sewer Main Extension

LABOR				Breakdown by Task (Direct Labor):	
	RATE				
	\$/HR.	HRS.	AMOUNT		
DIRECT LABOR COSTS:					
PRINCIPAL MANAGER	145.00	9	\$1,305.00	Task 1:	\$2,040.00
PROJECT MANAGER	130.00	23	\$2,990.00	Task 2:	\$3,240.00
PROJECT ENGINEER	120.00	64	\$7,680.00	Task 3:	\$8,000.00
ENGINEER TECH	100.00	40	\$4,000.00	Task 4:	\$2,865.00
CAD/DRAFTER	85.00	40	\$3,400.00	Task 5:	\$1,545.00
OFFICE MANAGER/CLERICAL	52.00	10	\$520.00	Task 6:	\$2,250.00
RESIDENT INSPECTOR	90.00	25	\$2,250.00	Task 7:	\$700.00
				Task 8:	\$1,505.00
TOTAL DIRECT LABOR COSTS:			\$22,145.00		\$22,145

DIRECT PROJECT EXPENSES		
A. MATERIAL COSTS (BREAKDOWN ATTACHED)		\$240.00
B. TRAVEL & PER DIEM (BREAKDOWN ATTACHED)		\$56.00
C. OTHER SIGNIFICANT COSTS (BREAKDOWN ATTACHED)		\$0.00
D. ADMINISTRATIVE FEE	5 % OF A,B,&C	\$14.80
TOTAL OF: A THROUGH D		\$310.80

TOTAL LABOR AND EXPENSES (ROUNDED) \$22,500 (Rounded)

1: Highway 99 STEP Sewer Main Extension \$22,500

TOTAL FEES \$22,500

PREPARED BY:

TJM

G:\Users\gallia.DYERPART\Desktop\Sutherlin\Water & Sewer Network Expansion\PROJECT LAYOUT.dwg



EXHIBIT A6

CONSTRUCTION/SPECIFICATIONS CONTRACT

CRADAR ENTERPRISES, INC.

These documents were provided during the bid award process. Due to the large size of the documents we did not include them in your packet. They are available in Community Development.





## City of Sutherlin

STAFF REPORT					
<b>Re: Sutherlin Municipal Code Amendments- Chapter 8.08 (Discarded Vehicle Impoundment and Disposition and Chapter 10.24 (Stopping, Standing and parking)).</b>				Meeting Date:	Dec 14, 2020
<b>Purpose:</b>	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
<b>Submitted By: Troy Mills, Chief of Police</b>				City Manager Review	<input checked="" type="checkbox"/>
<b>Attachments: Enactment Notice, Ordinance No. 1082 - Sutherlin Municipal Code Amendments - Chapter 8.08 and Chapter 10.24 with markups, and final draft</b>					

### WHAT IS BEING ASKED OF COUNCIL?

Consider approving the first reading Ordinance No. 1082 – Chapters 8.08 and 10.24 with amendments regulating “Discarded Vehicle Impoundment and Disposition” and “Stopping, Standing, and Parking” in the City of Sutherlin. Staff requests approval in one reading, declaring an emergency to expedite the adoption of the ordinance.

### EXPLANATION

The City of Sutherlin currently lacks an effective regulatory scheme to address some issues and complaints brought about by Council and the citizens of Sutherlin regarding vehicle’s and parking.

The amendments to Chapter 8.08 and Chapter 10.24 address those issues to include new parking regulations on all city owned or controlled parking areas. The new general parking regulations include; RV parking limitations, general parking limits, person responsible, reduction of fines, vehicles subject to immediate towing, enforcement, and required signage.

The amendments also address general parking lot enforcement issues and re-defines parking limitations, Parking Facilities, Discarded Vehicle(s), City Owned Parking Areas, and required signage.

### OPTIONS

According to the Charter of the City of Sutherlin, Chapter VIII, Section 30 (b) An ordinance may be enacted at a single council meeting if all councilors present vote unanimously.

### SUGGESTED MOTION(S)

1. To approve the first reading of Ordinance No. 1082, Chapters 8.08 and Chapter 10.24 with amendments, declaring an emergency; or
2. To not approve the first reading of Ordinance No. 1082, Chapters 8.08 and Chapter 10.24 with amendments, declaring an emergency.



From the Office of the  
City Recorder & Human Resources Manager  
Diane Harris

*Administration*  
126 E. Central Avenue  
Sutherlin, OR 97479  
(541) 459-2856  
(541) 459-9363 (Fax)  
[d.harris@ci.sutherlin.or.us](mailto:d.harris@ci.sutherlin.or.us)  
[www.cityofsutherlin.com](http://www.cityofsutherlin.com)

## *City of Sutherlin*

# NOTICE OF ORDINANCE ENACTMENT

## ORDINANCE NO. 1082

**AN ORDINANCE OF THE CITY OF SUTHERLIN AMENDING CHAPTER 8.08 DISCARDED VEHICLE IMPOUNDMENT AND DISPOSITION AND CHAPTER 10.24 STOPPING, STANDING AND PARKING, OF THE SUTHERLIN MUNICIPAL CODE AND DECLARING AN EMERGENCY.**

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

**FIRST READING: MONDAY, DECEMBER 14, 2020 @ 7PM  
SECOND READING (if necessary): MONDAY, JANUARY 11, 2021  
@ 7PM  
CIVIC AUDITORIUM - 175 E. EVERETT AVENUE**

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, or on [www.cityofsutherlin.com](http://www.cityofsutherlin.com). 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 the City's website ([www.cityofsutherlin.com](http://www.cityofsutherlin.com)).

Posted this day, December 4, 2020  
By Diane Harris  
City Recorder



## ORDINANCE NO. 1082

### AN ORDINANCE OF THE CITY OF SUTHERLIN AMENDING CHAPTER 8.08 DISCARDED VEHICLE IMPOUNDMENT AND DISPOSITION AND CHAPTER 10.24 STOPPING, STANDING AND PARKING, OF THE SUTHERLIN MUNICIPAL CODE AND DECLARING AN EMERGENCY

~~WHEREAS, the City has established prohibited actions specific to the storing of discarded and/or disabled vehicles on private property to include but not limited to those with expired registrations; and~~ and the City regulates the storage of vehicles and parking in the Sutherlin Municipal Code (SMC) chapters 8 and 10; and

WHEREAS, the City believes it is necessary to clarify where vehicles may be parked and stored and how the City will enforce these regulations; and

WHEREAS, the City also wishes to clarify when it will tow a vehicle without notice and when persons are allowed to park or store vehicles in public parking facilities; and

~~WHEREAS, the City has added Sections 10.24.035 City owned parking facilities; and 10.24.100 Vehicles subject to immediate tow; and 10.24.110 Enforcement; and~~

WHEREAS, this ordinance is being necessary for the immediate compliance of state laws, and needs for the city, an emergency is declared to exist, and this Ordinance takes effect on its passage.

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

#### CHAPTER 8.08 DISCARDED VEHICLE IMPOUNDMENT AND DISPOSITION

##### Section 1. 8.08.010 Definitions

“Discarded vehicle” means:

A vehicle that does not have a license plate or vehicle identification number lawfully affixed to it or a vehicle that is in one or more of the following conditions:

- a. Dismantled
- b. Partially dismantled
- c. Junked
- d. Less than two functioning wheels

e.—Expired registration

e.           

“Parking Facilities” mean city owned or controlled property where permanent or temporary vehicle parking is allowed.

## **Section 2. 8.08.030 Prohibited actions**

- A. No person responsible shall store or allow the storing of a discarded vehicle or of a disabled vehicle upon ~~public or~~ private property within the city for more than seventy-two (72) hours unless the vehicle is completely enclosed within a building or unless it is in connection with a lawfully conducted business enterprise dealing in junked vehicles.  
No person responsible shall store or allow the storing of a discarded vehicle or of a disabled vehicle upon public property for more than ten (10) consecutive hours.
- B. No person responsible shall permit an abandoned vehicle to remain on the public or private property.

## **CHAPTER 10.24 STOPPING, STANDING AND PARKING**

### **Sections:**

- 10.24.005 Definitions**
- 10.24.010 ~~Method of Parking~~ General Parking Regulations**
- 10.24.020 Parking of oversize vehicles**
- 10.24.030 Prohibited parking**
- 10.24.035 City owned parking lots or parking facilities**
- 10.24.040 Use of loading zones**
- 10.24.050 Use of passenger loading zone**
- 10.24.060 Stopping, standing or parking of buses and taxicabs regulated**
- 10.24.070 Restricted use of bus and taxicab stands**
- 10.24.080 Exemption**
- 10.24.090 Prohibited parking or storing of recreational vehicles**
- 10.24.100 Vehicles subject to immediate towing**
- 10.24.110 Enforcement**

### **Section 10.24.005 Definitions**

**See definitions in SMC Chapter 8.08**

## **Section 3. 10.24.010 ~~Method of Parking~~ General Parking Regulations**

- A. No person may stand or park a vehicle in a street or in a city parking facility~~area~~, other than parallel with the edge of the roadway, headed in the direction of lawful traffic

movement, and with the curbside wheels of the vehicle within twelve (12) inches of the edge of the curb, except where the street is marked or signed for angle parking, in which case motor vehicles shall be parked with the front head-in to curb at the angle of the between painted stripes or other marking upon the pavement where such head-in parking is indicated.

- B. Where parking space markings are placed on a street or city parking facility, no person may stand or park a vehicle other than at the indicated direction and within a single marked space.
- C. Whenever the owner or driver of a vehicle discovers that such vehicle is parked immediately in front of or close to a building to which the fire department has been summoned, he shall immediately remove such vehicle from the area unless otherwise directed by police or fire officers.
- D. No person, whether in a vehicle or not, may intrude himself upon a street or premises where a fire is in progress in such manner as to interfere with the fire department in its efforts to extinguish a fire and no person may congregate with other persons in the vicinity of a fire in such a manner as to hinder or interfere with the fire department in its efforts to extinguish a fire.
- E. A vehicle shall not remain parked beyond a posted time limit or where parking is restricted.
- F. A vehicle shall not be parked on a public street or within public right of way without license plates, with expired tags, with expired registration, or with expired temporary licensing permit.
- G. No Person shall park in front of the entrance of any place where mail is received or within ten (10) feet of a mailbox during the hours of 8 a.m. to 5 p.m. on days when mail is delivered.
- H. It is unlawful to put nonvehicular property in a regulated parking zone without permission of the City Manager and/or Chief of Police. Any nonvehicular property stored in a regulated parking zone is a nuisance and may be summarily abated.
- I. It is unlawful for any public vehicle parking business, or vehicle sales, repair, or servicing business to cause or permit a vehicle including a trailer house, boat, boat trailer or other motorized, towable or mountable recreational vehicle to be parked on a street, alley, lane, or other public right of way while such vehicle is in the custody, control, or possession of the business for the purpose of being parked, offered for sale, repaired, or services.
- J. The owner of the business, operator of the business, or the owner of the property where the business is located shall be the party responsible for any violation of Section 1.

- K. A sign which regulates the amount of time a vehicle may park such as “Parking 30 minutes” is in effect from 8 a.m. to 6 p.m. Monday through Saturday, excluding recognized holidays, unless the regulating sign shows other restrictions for days and/or hours. The moving of any vehicle within one city block shall not be deemed to extend the time parking.
- L. A sign without stated hours or days which regulates parking zones such as “No Parking”, “No Parking This Block”, “Bus Zone”, or “truck Loading Zone, No Parking Anytime” is in effect all hours of all days, including city recognized holidays.
- M. A sign which prohibits parking during certain hours and/or days such as “No Parking 7 a.m. to 9 a.m. Monday through Friday” or “Truck Loading Zone 7 a.m. to 6 p.m. Monday through Friday” is in effect during the days at times shown on the sign, excluding city recognized holidays.
- N. For a parking sign which has an arrow, the direction in which the head of the arrow points is the direction that the regulation is in effect.

#### **Section 4. 10.24.030 Prohibited parking**

In addition to provisions of the Motor Vehicle Laws of the State of Oregon prohibiting parking, no person may park a vehicle:

- A. Upon a bridge, viaduct or other elevated structure used as a street unless otherwise indicated by lawfully installed signs;
- B. In an alley except to load or unload persons or materials not to exceed ~~twenty (20) minutes~~ fifteen (15) minutes for loading or unloading; loading or unloading operations cannot restrict the flow of vehicular traffic;
- C. Upon a street for the principal purpose of:
  - 1. Displaying the vehicle for sale;
  - 2. Washing, greasing, repairing and/or servicing the vehicle except repairs necessitated by an emergency;
  - 3. Displaying advertising from vehicle;
  - 4. Selling merchandise from the vehicle except in an established market place or when so authorized or licensed under this title; or
  - 5. Storing the vehicle, or a junkage or dead storage for more than ten (10) consecutive hours.
- D. Upon any parkway except where specifically authorized;
- E. On private property not his own without the express or implied consent of the person in charge of the private property. When any express or implied consent has been given, the

posing, in a conspicuous place on the property by the person in charge of the property, of a printed or written notice stating the name of the person in charge and specifying the parking limitations, shall be prima facie evidence of the withdrawal of such consent under the terms of the limitations.

#### **Section 5. 10.24.035 City Owned parking facilities**

- A. No person shall ~~park or~~ store any vehicle including a trailer house, boat, or boat trailer on city owned property including city owned parking facilities unless the owner seeks and receives permission from the City Manager, Chief of Police or their designee.
- B. City Owned parking facilities parking will be posted with any parking restrictions.

#### **Section 6. 10.24.100 Vehicles subject to immediate towing**

- A. The city, without prior notice to the owner or operator of a vehicle, may cause the vehicle to be impounded and towed when the city reasonable believes one circumstance under subsection (B) to exist in conjunction with one circumstance under subsection (C).
- B.
  - 1. The location of the vehicle creates a public safety hazard;
  - 2. A potential use of the vehicle creates a public safety hazard; or
  - 3. There is a need to protect the vehicle.
- C.
  - 1. The operator of the vehicle does not possess a valid operator's license as required by ORS 807.010;
  - 2. The operator of the vehicle is driving uninsured or without other means to prove financial responsibility as required by ORS 806.010 through ORS 806.012; or
  - 3. The operator of the vehicle is unable to prove successful registration of the vehicle or to carry a valid registration card as required by ORS 803.300 and ORS 803.505; or
  - 4. The vehicle is illegally parked on a street in a restricted space, zone or traffic lane where parking is limited or prohibited to designated classes of vehicles or periods of time that fit the circumstances, or any time the vehicle interferes with the intended use of such space, zone or traffic lane as proscribed by ORS 811.550.

#### **Section 7. 10.24.110 Enforcement**

Any person violating any of the provisions of this chapter shall upon conviction thereof be punished by a fine of one hundred dollars (\$100.00). Each day is a separate violation.

**Section 8.** This Ordinance shall become effective immediately upon its passage by the City Council.

PASSED BY THE CITY COUNCIL, ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2020.

APPROVED BY THE MAYOR, ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2020.

**ATTEST:**

\_\_\_\_\_  
Todd McKnight, Mayor

\_\_\_\_\_  
Diane Harris, City Recorder, CMC

## **ORDINANCE NO. 1082**

### **AN ORDINANCE OF THE CITY OF SUTHERLIN AMENDING CHAPTER 8.08 DISCARDED VEHICLE IMPOUNDMENT AND DISPOSITION AND CHAPTER 10.24 STOPPING, STANDING AND PARKING, OF THE SUTHERLIN MUNICIPAL CODE AND DECLARING AN EMERGENCY**

**WHEREAS**, and the City regulates the storage of vehicles and parking in the Sutherlin Municipal Code (SMC) chapters 8 and 10; and

**WHEREAS**, the City believes it is necessary to clarify where vehicles may be parked and stored and how the City will enforce these regulations; and

**WHEREAS**, the City also wishes to clarify when it will tow a vehicle without notice and when persons are allowed to park or store vehicles in public parking facilities; and

**WHEREAS**, this ordinance is being necessary for the immediate compliance of state laws, and needs for the city, an emergency is declared to exist, and this Ordinance takes effect on its passage.

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

#### **CHAPTER 8.08 DISCARDED VEHICLE IMPOUNDMENT AND DISPOSITION**

##### **Section 1. 8.08.010 Definitions**

“Discarded vehicle” means: A vehicle that does not have a license plate or vehicle identification number lawfully affixed to it or a vehicle that is in one or more of the following conditions:

- a. Dismantled
- b. Partially dismantled
- c. Junked
- d. Less than two functioning wheels
- e. Expired registration

“Parking Facilities” mean city owned or controlled property where permanent or temporary vehicle parking is allowed.

##### **Section 2. 8.08.030 Prohibited Actions**

- A. No person responsible shall store or allow the storing of a discarded vehicle or of a disabled vehicle upon private property within the city for more than seventy-two (72)

hours unless the vehicle is completely enclosed within a building or unless it is in connection with a lawfully conducted business enterprise dealing in junked vehicles.

- B. No person responsible shall store or allow the storing of a discarded vehicle or of a disabled vehicle upon public property for more than ten (10) consecutive hours.
- C. No person responsible shall permit an abandoned vehicle to remain on the public or private property.

## **CHAPTER 10.24 STOPPING, STANDING AND PARKING**

### **Sections:**

- 10.24.005 Definitions**
- 10.24.010 General Parking Regulations**
- 10.24.020 Parking of oversize vehicles**
- 10.24.030 Prohibited parking**
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- 10.24.080 Exemption**
- 10.24.090 Prohibited parking or storing of recreational vehicles**
- 10.24.100 Vehicles subject to immediate towing**
- 10.24.110 Enforcement**

### **Section 10.24.005 Definitions**

See definitions in SMC Chapter 8.08

### **Section 3. 10.24.010 General Parking Regulations**

- A. No person may stand or park a vehicle in a street or in a city parking facility, other than parallel with the edge of the roadway, headed in the direction of lawful traffic movement, and with the curbside wheels of the vehicle within twelve (12) inches of the edge of the curb, except where the street is marked or signed for angle parking, in which case motor vehicles shall be parked with the front head-in to curb at the angle of the between painted stripes or other marking upon the pavement where such head-in parking is indicated.
- B. Where parking space markings are placed on a street or city parking facility, no person may stand or park a vehicle other than at the indicated direction and within a single marked space.
- C. Whenever the owner or driver of a vehicle discovers that such vehicle is parked immediately in front of or close to a building to which the fire department has been summoned, he shall immediately remove such vehicle from the area unless otherwise directed by police or fire officers.
- D. No person, whether in a vehicle or not, may intrude himself upon a street or premises where a fire is in progress in such manner as to interfere with the fire department in its



efforts to extinguish a fire and no person may congregate with other persons in the vicinity of a fire in such a manner as to hinder or interfere with the fire department in its efforts to extinguish a fire.

- E. A vehicle shall not remain parked beyond a posted time limit or where parking is restricted.
- F. A vehicle shall not be parked on a public street or within public right of way without license plates, with expired tags, with expired registration, or with expired temporary licensing permit.
- G. No Person shall park in front of the entrance of any place where mail is received or within ten (10) feet of a mailbox during the hours of 8 a.m. to 5 p.m. on days when mail is delivered.
- H. It is unlawful to put nonvehicular property in a regulated parking zone without permission of the City Manager and/or Chief of Police. Any nonvehicular property stored in a regulated parking zone is a nuisance and may be summarily abated.
- I. It is unlawful for any public vehicle parking business, or vehicle sales, repair, or servicing business to cause or permit a vehicle including a trailer house, boat, boat trailer or other motorized, towable or mountable recreational vehicle to be parked on a street, alley, lane, or other public right of way while such vehicle is in the custody, control, or possession of the business for the purpose of being parked, offered for sale, repaired, or services.
- J. The owner of the business, operator of the business, or the owner of the property where the business is located shall be the party responsible for any violation of Section 1.
- K. A sign which regulates the amount of time a vehicle may park such as "Parking 30 minutes" is in effect from 8 a.m. to 6 p.m. Monday through Saturday, excluding recognized holidays, unless the regulating sign shows other restrictions for days and/or hours. The moving of any vehicle within one city block shall not be deemed to extend the time parking.
- L. A sign without stated hours or days which regulates parking zones such as "No Parking", "No Parking This Block", "Bus Zone", or "truck Loading Zone, No Parking Anytime" is in effect all hours of all days, including city recognized holidays.
- M. A sign which prohibits parking during certain hours and/or days such as "No Parking 7 a.m. to 9 a.m. Monday through Friday" or "Truck Loading Zone 7 a.m. to 6 p.m. Monday through Friday" is in effect during the days at times shown on the sign, excluding city recognized holidays.
- N. For a parking sign which has an arrow, the direction in which the head of the arrow points is the direction that the regulation is in effect.

#### **Section 4. 10.24.030 Prohibited Parking**

In addition to provisions of the Motor Vehicle Laws of the State of Oregon prohibiting parking, no person may park a vehicle:

- A. Upon a bridge, viaduct or other elevated structure used as a street unless otherwise indicated by lawfully installed signs;
- B. In an alley except to load or unload persons or materials not to exceed fifteen (15) minutes for loading or unloading; loading or unloading operations cannot restrict the flow of vehicular traffic;
- C. Upon a street for the principal purpose of:
  - 1. Displaying the vehicle for sale;
  - 2. Washing, greasing, repairing and/or servicing the vehicle except repairs necessitated by an emergency;
  - 3. Displaying advertising from vehicle;
  - 4. Selling merchandise from the vehicle except in an established market place or when so authorized or licensed under this title; or
  - 5. Storing the vehicle, or a junkage or dead storage for more than ten (10) consecutive hours.
- D. Upon any parkway except where specifically authorized;
- E. On private property not his own without the express or implied consent of the person in charge of the private property. When any express or implied consent has been given, the posing, in a conspicuous place on the property by the person in charge of the property, of a printed or written notice stating the name of the person in charge and specifying the parking limitations, shall be prima facie evidence of the withdrawal of such consent under the terms of the limitations.

#### **Section 5. 10.24.035 City Owned Parking Facilities**

- A. No person shall store any vehicle including a trailer house, boat, or boat trailer on city owned property including city owned parking facilities unless the owner seeks and receives permission from the City Manager, Chief of Police or their designee.

City Owned Parking Facilities parking will be posted with any parking restrictions.

#### **Section 6. 10.24.100 Vehicles Subject to Immediate Towing**

- A. The city, without prior notice to the owner or operator of a vehicle, may cause the vehicle to be impounded and towed when the city reasonable believes one circumstance under subsection (B) to exist in conjunction with one circumstance under subsection (C).

B.

1. The location of the vehicle creates a public safety hazard;
2. A potential use of the vehicle creates a public safety hazard; or
3. There is a need to protect the vehicle.

C.

1. The operator of the vehicle does not possess a valid operator's license as required by ORS 807.010;
2. The operator of the vehicle is driving uninsured or without other means to prove financial responsibility as required by ORS 806.010 through ORS 806.012; or
3. The operator of the vehicle is unable to prove successful registration of the vehicle or to carry a valid registration card as required by ORS 803.300 and ORS 803.505; or
4. The vehicle is illegally parked on a street in a restricted space, zone or traffic lane where parking is limited or prohibited to designated classes of vehicles or periods of time that fit the circumstances, or any time the vehicle interferes with the intended use of such space, zone or traffic lane as proscribed by ORS 811.550.

**Section 7. 10.24.110 Enforcement**

Any person violating any of the provisions of this chapter shall upon conviction thereof be punished by a fine of one hundred dollars (\$100.00). Each day is a separate violation.

**Section 8.** This Ordinance shall become effective immediately upon its passage by the City Council.

**PASSED BY THE CITY COUNCIL ON THIS \_\_\_\_ DAY OF \_\_\_\_, 2020.**

**APPROVED BY THE MAYOR ON THIS \_\_\_\_ DAY OF \_\_\_\_, 2020.**

\_\_\_\_\_  
Todd McKnight, Mayor

**ATTEST:**

\_\_\_\_\_  
Diane Harris, City Recorder, CMC



# **REPORTS**





126 E. Central Avenue  
Sutherlin, OR 97479  
541-459-2856  
Fax: 541-459-9363  
[www.cityofsutherlin.com](http://www.cityofsutherlin.com)

# City of Sutherlin

STAFF REPORT					
Re: 2020 Audit				Meeting Date:	12/14/20
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: 2020 Communication to the Governing Body, 2020 Financial Report, Audit Summary					

## 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 2020 fiscal year. Attached is a summary of the audit by Kenny Allen, CPA who is the managing auditor on the city audit team this year for Pauly, Rogers and Co., P.C.

## EXPLANATION

Staff has reviewed the final Financial Report for the year ended June 30, 2020 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 auditors 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. 3)
- Corrected and Uncorrected Misstatements – There were uncorrected misstatements noted during the audit and discussed with management. (P. 3) These were minor issues.
- Disagreements with Management – We are pleased to report that no such disagreements arose during the course of our audit. (P. 3)
- Supplementary Information within Documents Containing Audited Financial Statements – the information is appropriate and complete in relation to our audit of the financial statements. (P. 4)

- Other Information in Documents Containing Audited Financial Statements – Our results noted no material inconsistencies or misstatements of facts. (P. 4)
- 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 – 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 information regarding the Oregon Public Employees Retirement plan and should be reviewed carefully. (P. 24-30)
- Note 7. OTHER POST-EMPLOYMENT BENEFIT PLAN-(RHIA) – This is a relatively new note which should be reviewed carefully. (p. 30-31)
- Note 11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - This is a relatively new note which should be reviewed carefully. (p. 33-35)
- Note 13. RISK MANAGEMENT – Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. (P. 36)

#### 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. 69)

#### From the Independent Auditors’ Report on Grant Compliance Review

- Due to the receipt of Federal funds, via loan proceeds from DEQ as well as the Recreational Trails Program for Fords Pond, a special audit on grant compliance was necessary this year. Pages 70-77 of the report disclose the findings of this audit.
- In our opinion, City of Sutherlin, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June, 30 2020. (P. 74)

#### Subsequent Actions Taken by Staff Pertaining to the 2020 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 issued debt held by these entities.

<b>OPTIONS</b>
----------------

N/A

<b>SUGGESTED MOTION(S)</b>
----------------------------

N/A

***PAULY, ROGERS AND CO., P.C., Certified Public Accountants***  
***The Leaders in Oregon Municipal Auditing***

**Fiscal Year 2019-2020 Financial Audit of the City of Sutherlin**

**Audit Opinion Letter**

- ▶ An unmodified opinion on the financial statements has been issued (see page 1 of the financial report) This means we have given a “clean” opinion on the City’s financial report.

**Federal Single Audit**

- ▶ A federal single audit is required when an entity spends more than \$750k in federal monies.
- ▶ We noted no instances of non-compliance or questioned costs, so a “clean opinion” for the federal single audit was issued.
- ▶ See Page 71-75 of the Financial Report for these opinions.

**State Minimum Standards Opinion**

- ▶ We noted **No** exceptions requiring comment.
- ▶ We are required to opine on the following areas:
  - ▶ 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).
- ▶ See Page 69-70 of the Financial Report for this opinion.

**Management Letter**

- ▶ No management letter was issued.
- ▶ No significant deficiencies were noted.

**Significant Audit Findings**

- ▶ We noted no misstatements during our audit that weren’t corrected by management, if any.
- ▶ There were no significant difficulties performing the audit.
- ▶ We had no disagreements with management.

We’d like to thank staff for all their help and assistance. If you have any questions, please email or call Kenny Allen.

- ▶ [Kennya@rascpas.com](mailto:Kennya@rascpas.com), 503-620-2632

**CITY OF SUTHERLIN**  
**DOUGLAS COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**



**12700 SW 72<sup>nd</sup> Ave.**  
**Tigard, OR 97223**



**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**FINANCIAL REPORT**

**WITH  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED JUNE 30, 2020**

\*\*\*\*\*

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**Mayor & City Council**

June 30, 2020

<b><u>Name</u></b>	<b><u>POSITION</u></b>	<b><u>TERM EXPIRES</u></b>
Todd McKnight	Mayor	December 31, 2020
Debbie Hamilton	City Councilor	December 31, 2022
Forrest Stone	City Councilor	December 31, 2020
Michelle Sumner	City Councilor	December 31, 2022
Tom Boggs	City Councilor	December 31, 2022
Seth Vincent	City Councilor	December 31, 2020
Travis Tomlinson	City Councilor	December 31, 2020

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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**PAULY, ROGERS AND CO., P.C.**  
12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
(503) 620-2632 ♦ (503) 684-7523 FAX  
[www.paulyrogersandcocpas.com](http://www.paulyrogersandcocpas.com)

November 2, 2020

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, 2020, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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, 2020 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**

### *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.

### *Supplementary 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements, and is also not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic 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, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

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 Government Auditing Standards, we have also issued our report dated November 2, 2020 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 2, 2020 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, 2020**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS TYPE	TOTAL
<b>ASSETS</b>			
Cash and Investments	\$ 4,761,819	\$ 4,080,034	\$ 8,841,853
Receivables	517,693	1,740,048	2,257,741
Prepays	8,130	23,988	32,118
Internal Balances	(1,121,179)	1,121,179	-
Capital Assets not being depreciated	1,262,826	24,538,225	25,801,051
Capital Assets, net of accumulated depreciation	9,261,091	18,105,536	27,366,627
<b>Total Assets</b>	<b>14,690,380</b>	<b>49,609,010</b>	<b>64,299,390</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB Deferrals - Implicit Subsidy	13,268	-	13,268
Pension Related Deferrals - Oregon PERS	1,610,763	-	1,610,763
<b>Total Deferred Outflows</b>	<b>1,624,031</b>	<b>-</b>	<b>1,624,031</b>
<b>LIABILITIES</b>			
Accounts Payable	225,147	1,719,385	1,944,532
Accrued Expenses	29,294	37,348	66,642
Customer Deposits	-	79,465	79,465
Accrued Interest Payable	-	90,491	90,491
Accrued Compensated Absences	278,732	-	278,732
Noncurrent liabilities:			
Due Within One Year:			
Bonds and Notes Payable	68,373	389,685	458,058
Due In More Than One Year			
OPEB Liability	146,689	-	146,689
Net Pension Liability	4,044,479	-	4,044,479
Bonds and Notes Payable	696,627	27,631,169	28,327,796
<b>Total Liabilities</b>	<b>5,489,341</b>	<b>29,947,543</b>	<b>35,436,884</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB Deferrals - Implicit Subsidy	29,929	-	29,929
Pension Related Deferrals - Oregon PERS	394,699	-	394,699
<b>Total Deferred Inflows</b>	<b>424,628</b>	<b>-</b>	<b>424,628</b>
<b>NET POSITION:</b>			
Net Investment in			
Capital Assets	9,758,917	14,622,907	24,381,824
Restricted for:			
Bond Covenants	-	195,724	195,724
Debt Service	934	1,666,445	1,667,379
Capital Projects	682,746	1,038,688	1,721,434
Unrestricted	(42,155)	2,137,703	2,095,548
<b>Total Net Position</b>	<b>\$ 10,400,442</b>	<b>\$ 19,661,467</b>	<b>\$ 30,061,909</b>

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, 2020**

Functions/Programs	Program Revenues			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 2,019,584	\$ 38,635	\$ 38,418	\$ -
Public Safety & Fire	3,625,536	405,288	2,000	-
Highways and Streets	461,945	58,177	-	-
Culture and Recreation	499,050	16,840	36,336	87,392
Tourism	110,791	-	-	-
Interest on Long-term Debt	14,863	-	-	-
Total Governmental Activities	6,731,769	518,940	76,754	87,392
Business-Type Activities				
Wastewater	1,717,134	2,782,215	-	-
Water	1,718,416	2,285,060	-	-
Total Business Activities	3,435,550	5,067,275	-	-
Total Primary Government	\$ 10,167,319	\$ 5,586,215	\$ 76,754	\$ 87,392

General Revenues:  
Property Taxes  
Franchise Taxes  
Intergovernmental  
Miscellaneous  
Interest  
Capital Contributions  
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
\$ (1,942,531)	\$ -	\$ (1,942,531)
(3,218,248)	-	(3,218,248)
(403,768)	-	(403,768)
(358,482)	-	(358,482)
(110,791)	-	(110,791)
(14,863)	-	(14,863)
(6,048,683)	-	(6,048,683)
-	1,065,081	1,065,081
-	566,644	566,644
-	1,631,725	1,631,725
(6,048,683)	1,631,725	(4,416,958)
3,165,998	-	3,165,998
449,501	-	449,501
784,030	-	784,030
370,273	9,646	379,919
99,934	77,915	177,849
(421,158)	421,158	-
1,155,456	(1,155,456)	-
5,604,034	(646,737)	4,957,297
(444,649)	984,988	540,339
10,845,091	18,676,479	29,521,570
\$ 10,400,442	\$ 19,661,467	\$ 30,061,909

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020**

	GENERAL FUND	STREET CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,612,088	\$ -	\$ 999,135	\$ 4,611,223
Accounts Receivable	420,326	3,865	93,502	517,693
Due from Other Funds	110,371	-	-	110,371
Prepays	-	-	8,130	8,130
Total Assets	<u>\$ 4,142,785</u>	<u>\$ 3,865</u>	<u>\$ 1,100,767</u>	<u>\$ 5,247,417</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 139,894	\$ 35,218	\$ 47,134	\$ 222,246
Due to Other Funds	-	89,723	3,412	93,135
Accrued Expenses	25,012	-	-	25,012
Total Liabilities	<u>164,906</u>	<u>124,941</u>	<u>50,546</u>	<u>340,393</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	253,221	-	5,329	258,550
Total Liabilities and Deferred Inflows	<u>418,127</u>	<u>124,941</u>	<u>55,875</u>	<u>598,943</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	8,130	8,130
Restricted	-	-	683,680	683,680
Committed	-	-	350,342	350,342
Assigned	1,218,235	-	581	1,218,816
Unassigned	2,506,423	(121,076)	2,159	2,387,506
Total Fund Balances	<u>3,724,658</u>	<u>(121,076)</u>	<u>1,044,892</u>	<u>4,648,474</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 4,142,785</u>	<u>\$ 3,865</u>	<u>\$ 1,100,767</u>	<u>\$ 5,247,417</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, 2020**

---

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

Fund Balances	\$ 4,648,474
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	10,523,917
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	
Bonds and Notes Payable	(765,000)
Accrued Compensated absences	(278,732)
The Net Pension Asset (Liability) and OPEB Asset (Liability), and deferred inflows and outflows related to the Net Pension Asset (Liability) and OPEB Asset (Liability) is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries	
OPEB liability and related deferred inflows and outflows	(163,350)
Net Pension Liability and related deferred inflows and outflows	(2,828,415)
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	143,413
Internal Balances relate to transactions that have occurred between the Governmental and Business-Type Activities at the Government-Wide level	
	(1,138,415)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Unearned/Unavailable Revenue	<u>258,550</u>
Total Net Position	<u>\$ 10,400,442</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, 2020**

	GENERAL FUND	STREET CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>				
Property Taxes	\$ 3,109,998	\$ -	\$ 56,000	\$ 3,165,998
Franchise Fees	449,501	-	-	449,501
System Development Charges	-	-	52,577	52,577
Assessments	-	-	164,416	164,416
Grants and Contributions	-	-	105,535	105,535
Licences, Permits and Fees	965	-	-	965
Fines and Forfeitures	118,113	-	-	118,113
Charges for Services	35,835	-	-	35,835
Intergovernmental	557,986	-	554,887	1,112,873
Interest	76,957	1,302	21,675	99,934
Miscellaneous	105,487	-	140,929	246,416
Total Revenues	4,454,842	1,302	1,096,019	5,552,163
<b>EXPENDITURES</b>				
Current:				
General Government	1,700,306	-	-	1,700,306
Culture and Recreation	170,772	-	52,117	222,889
Tourism	-	-	109,620	109,620
Highways and Streets	-	-	105,836	105,836
Public Safety and Fire	3,072,531	-	-	3,072,531
Debt Service	-	-	62,031	62,031
Capital Outlay	654,432	501,002	217,074	1,372,508
Total Expenditures	5,598,041	501,002	546,678	6,645,721
Excess of Revenues Over, (Under) Expenditures	(1,143,199)	(499,700)	549,341	(1,093,558)
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	1,847,100	305,000	151,400	2,303,500
Transfers Out	(652,400)	-	(762,800)	(1,415,200)
Total Other Financing Sources, (Uses)	1,194,700	305,000	(611,400)	888,300
Net Change in Fund Balance	51,501	(194,700)	(62,059)	(205,258)
Beginning Fund Balance	3,673,157	73,624	1,106,951	4,853,732
Ending Fund Balance	\$ 3,724,658	\$ (121,076)	\$ 1,044,892	\$ 4,648,474

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

**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, 2020**

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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	\$	(205,258)
--------------------------------------	----	-----------

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		943,654
Depreciation Expense		(538,295)

The Pension Expense and the changes in deferred inflows and outflows related to the Net Pension Asset (Liability) and OPEB Asset (Liability) represents the changes in Net Pension Asset (Liability) and OPEB 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.

OPEB		(6,574)
Net Pension Liability		(618,784)

Internal service funds are used by management to charge the costs of various functions to the individual funds. The net revenue (expense) of the internal service fund is allocated between governmental and business-type activities.

		(2,632)
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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		45,000
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The (increase)/decrease in the balance of accrued vacation time is a component of income on the Statement of Activities

		<u>(61,760)</u>
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Change in Net Position	\$	<u><u>(444,649)</u></u>
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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, 2020**

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 312,595	\$ -	\$ 821,887
Accounts Receivable, net	228,613	245,353	57,238
Prepaids	-	-	-
Total Current Assets	541,208	245,353	879,125
Noncurrent Assets			
Capital Assets, Net	13,576,538	29,067,223	-
Total Noncurrent Assets	13,576,538	29,067,223	-
Total Assets	\$ 14,117,746	\$ 29,312,576	\$ 879,125
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 20,726	\$ 25,137	\$ 120,792
Due to Other Funds	-	17,236	-
Accrued Expenses	37,348	-	-
Customer Deposits	79,465	-	-
Accrued Interest Payable	46,574	43,917	-
Long Term Debt, Current Position	230,155	159,530	-
Total Current Liabilities	414,268	245,820	120,792
Long-term Liabilities			
Long Term Debt, Net of Current Position	5,919,445	21,711,724	-
Total Long-term Liabilities	5,919,445	21,711,724	-
Total Liabilities	6,333,713	21,957,544	120,792
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	7,426,938	7,195,969	-
Restricted for:			
Bond Covenants	-	-	-
Debt Services	-	-	-
Capital Projects	-	-	758,333
Unrestricted	357,095	159,063	-
Total Net Position	7,784,033	7,355,032	758,333
Total Liabilities and Fund Equity	\$ 14,117,746	\$ 29,312,576	\$ 879,125

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



WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND	
\$ 777,636	\$ 2,167,916	\$ 4,080,034	\$ 150,596	
1,055,449	153,395	1,740,048	-	
-	23,988	23,988	-	
1,833,085	2,345,299	5,844,070	150,596	
-	-	42,643,761	-	
-	-	42,643,761	-	
\$ 1,833,085	\$ 2,345,299	\$ 48,487,831	\$ 150,596	
\$ 1,552,730	\$ -	\$ 1,719,385	\$ 2,901	
-	-	17,236	-	
-	-	37,348	4,282	
-	-	79,465	-	
-	-	90,491	-	
-	-	389,685	-	
1,552,730	-	2,333,610	7,183	
-	-	27,631,169	-	
-	-	27,631,169	-	
1,552,730	-	29,964,779	7,183	
-	-	14,622,907	-	
-	195,724	195,724	-	
-	1,666,445	1,666,445	-	
280,355	-	1,038,688	-	
-	483,130	999,288	143,413	
280,355	2,345,299	18,523,052	143,413	
\$ 1,833,085	\$ 2,345,299	\$ 48,487,831	\$ 150,596	
Net Position Above				18,523,052
Internal Service Activities related to Business Type				1,138,415
Total Net Position Business Type Activities				19,661,467

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2020**

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
OPERATING REVENUES			
Charges for Services	\$ 2,203,317	\$ 2,776,658	\$ -
Miscellaneous	-	9,646	-
Total Operating Revenues	2,203,317	2,786,304	-
OPERATING EXPENSES			
Personal Service	-	-	-
Materials and Services	386,580	666,252	-
Depreciation and Amortization	458,414	579,582	-
Total Operating Expenses	844,994	1,245,834	-
Operating Income -Loss	1,358,323	1,540,470	-
NONOPERATING REVENUES, (EXPENSES)			
Interest Income	9,784	5,088	19,928
Interest Expense	(177,162)	(74,097)	-
Total Nonoperating Revenues (Expenses)	(167,378)	(69,009)	19,928
Capital Contributions	1,432,415	846,331	(609,897)
Capital Contributions - System Development Charges	4,199	-	52,696
Transfers In	-	-	250,000
Transfers Out	(1,818,400)	(2,335,900)	-
Change in Net Position	809,159	(18,108)	(287,273)
Net Position (Deficit), Beginning of Year	6,974,874	7,373,140	1,045,606
Net Position (Deficit), end of year	\$ 7,784,033	\$ 7,355,032	\$ 758,333

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

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WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND
\$ -	\$ 24,848	\$ 5,004,823	\$ -
-	-	9,646	-
-	24,848	5,014,469	-
-	-	-	1,294,553
-	6,390	1,059,222	62,966
-	-	1,037,996	-
-	6,390	2,097,218	1,357,519
-	18,458	2,917,251	(1,357,519)
7,373	33,092	75,265	3,308
-	-	(251,259)	-
7,373	33,092	(175,994)	3,308
(616,479)	(631,212)	421,158	-
5,557	-	62,452	-
300,000	1,375,000	1,925,000	1,541,000
-	-	(4,154,300)	(200,000)
(303,549)	795,338	995,567	(13,211)
583,904	1,549,961	17,527,485	156,624
<u>\$ 280,355</u>	<u>\$ 2,345,299</u>	<u>\$ 18,523,052</u>	<u>\$ 143,413</u>

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2020**

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 2,210,446	\$ 2,755,370	\$ (57,238)
Cash Paid to Suppliers	(402,707)	(670,002)	103,267
Net Cash Provided (Used) by Operating Activities	1,807,739	2,085,368	46,029
Cash Flows from Noncapital Financing Activities:			
Miscellaneous	4,199	-	52,696
Interfund Loans	-	17,230	-
Transfers	(1,818,400)	(2,335,900)	250,000
Net Cash Provided (Used) by Noncapital Financing Activities	(1,814,201)	(2,318,670)	302,696
Cash Flows from Capital and Related Financing Activities:			
Loan Proceeds	-	-	337,466
Payments on debt	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	337,466
Cash Flows from Investing Activities:			
Purchase of Capital Assets	-	-	(947,363)
Earnings on Investments	9,784	5,088	19,928
Net Increase (Decrease) in Cash and Cash Equivalents	3,322	(228,214)	(241,244)
Cash and Investments at Beginning of Year	309,273	228,214	1,063,131
Cash and Investments at End of Year	\$ 312,595	\$ -	\$ 821,887
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income, (Loss)	\$ 1,358,323	\$ 1,540,470	\$ -
Noncash Items Included in Income:			
Depreciation	458,414	579,582	-
Decrease (Increase) in Accounts Receivable	2,530	(30,934)	(57,238)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(16,127)	(3,750)	103,267
Increase (Decrease) in Customer Deposits	4,599	-	-
Net Cash Provided (Used) by Operating Activities	\$ 1,807,739	\$ 2,085,368	\$ 46,029
Noncash Transactions:	1,432,415	846,331	(609,897)

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. See row above for amounts.

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

WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND
\$ 586,869 (27,297)	\$ 72,365 (6,745)	\$ 5,567,812 (1,003,484)	\$ - (1,357,517)
559,572	65,620	4,564,328	(1,357,517)
5,557	-	62,452	-
-	5,628	22,858	-
300,000	1,375,000	(2,229,300)	1,341,000
305,557	1,380,628	(2,143,990)	1,341,000
5,031,915	-	5,369,381	-
-	(631,212)	(631,212)	-
5,031,915	(631,212)	4,738,169	-
(5,648,394)	-	-	-
7,373	33,092	75,265	3,308
256,023	848,128	7,233,772	(13,209)
521,613	1,319,788	3,442,019	163,805
\$ 777,636	\$ 2,167,916	\$ 10,675,791	\$ 150,596
\$ -	\$ 18,458	\$ 2,917,251	\$ (1,357,519)
-	-	1,037,996	-
586,869	47,517	548,744	-
(27,297)	(355)	55,738	2
-	-	4,599	-
\$ 559,572	\$ 65,620	\$ 4,564,328	\$ (1,357,517)
(616,479)	(631,212)	421,158	-

**CITY OF SUTHERLIN**  
**DOUGLAS COUNTY, OREGON**

**STATEMENT OF FIDUCIARY ASSETS**  
**FIDUCIARY FUNDS**  
**June 30, 2020**

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	<u>Agency</u>
ASSETS	
Cash and Cash Equivalents	\$ (3,669)
Accounts Receivable	<u>20</u>
Total Assets	<u><u>\$ (3,649)</u></u>
LIABILITIES	
Accounts Payable	\$ 9,762
Amounts held in trust	<u>(13,411)</u>
Total Liabilities	<u><u>\$ (3,649)</u></u>

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

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**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, 2020**

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**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, 2020**

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**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 City 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, 2020**

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**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, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. CAPITAL ASSETS (CONTINUED)**

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, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. FUND EQUITY (CONTINUED)**

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. 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, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY (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, 2020. 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, 2020, the fair value of the position in the LGIP is 100.88% 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, 2020**

**2. DEPOSITS AND INVESTMENTS (CONTINUED)**

As of June 30, 2020, 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	\$ 8,526,853	\$ 8,526,853	\$ -	\$ -
Total	\$ 8,526,853	\$ 8,526,853	\$ -	\$ -

*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, 2020, the total bank balance per the bank statements was \$337,218. 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, 2020 are as follows:

Deposits with Financial Institutions:

Petty Cash	\$ 575
Demand Deposits	310,756
Investments	8,526,853
Total Cash and Investments	<u>\$ 8,838,184</u>

Reported In:

Governmental Activities	\$ 4,779,055
Business-Type Activities	4,062,798
Fiduciary Fund	(3,669)
	<u>\$ 8,838,184</u>

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**3. CAPITAL ASSETS**

Changes in Governmental Capital Assets for the year ended June 30, 2020 are as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
Land*	\$ 1,118,086	\$ -	\$ -	\$ 1,118,086
Construction in Progress*	3,283,046	144,175	(3,282,481)	144,740
Infrastructure	102,238,265	3,893,863	-	106,132,128
Buildings and Improvements	4,436,872	33,186	-	4,470,058
Vehicles and Equipment	2,525,125	154,911	-	2,680,036
Total Capital Assets	<u>113,601,394</u>	<u>4,226,135</u>	<u>(3,282,481)</u>	<u>114,545,048</u>
Accumulated Depreciation:				
Infrastructure	98,747,013	260,171	-	99,007,184
Buildings and Improvements	2,561,622	114,548	-	2,676,170
Vehicles and Equipment	2,174,201	163,576	-	2,337,777
Total Accumulated Depreciation	<u>103,482,836</u>	<u>538,295</u>	<u>-</u>	<u>104,021,131</u>
Total Net Capital Assets	<u>\$ 10,118,558</u>			<u>\$ 10,523,917</u>

\*Non Depreciable Asset

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

General Government	\$ 76,100
Public Safety	152,681
Highways and Streets	209,540
Culture and Recreation	99,149
Tourism	825
Total	<u>\$ 538,295</u>

Changes in Business-Type Capital Assets for the year ended June 30, 2020 are as follows:

	<u>Balances July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
Capital Assets not being depreciated				
Land	\$ 3,281,776	\$ 7,227.00	\$ -	\$ 3,289,003
Construction in progress	14,684,239	5,920,179	-	20,604,418
Water Rights	644,804	-	-	644,804
Total capital assets not being depreciated	<u>18,610,819</u>	<u>5,927,406</u>	<u>-</u>	<u>24,538,225</u>
Capital assets being depreciated				
Infrastructure and plant	51,440,501	533,175	-	51,973,676
Buildings	330,213	-	-	330,213
Vehicles and equipment	946,966	556,335	-	1,503,301
Total capital assets being depreciated	<u>52,717,680</u>	<u>1,089,510</u>	<u>-</u>	<u>53,807,190</u>

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**3. CAPITAL ASSETS (CONTINUED)**

	Balances July 1, 2019	Additions	Deletions	Balance June 30, 2020
Less accumulated depreciation for:				
Infrastructure and Plant	33,686,827	996,535	-	34,683,362
Buildings	137,419	11,737	-	149,156
Vehicles and equipment	839,411	29,724	-	869,135
Total	34,663,657	1,037,996	-	35,701,653
Total capital assets being depreciated, net	18,054,023	51,514	-	18,105,536
<b>Total capital assets, net</b>	<b>\$ 36,664,842</b>	<b>\$ 5,978,919</b>	<b>\$ -</b>	<b>\$ 42,643,761</b>

**4. RECEIVABLES**

The City's receivables at June 30, 2020 are shown below:

Property Taxes	\$ 306,737
Accounts	1,485,186
Utility Accounts	465,818
	<u>\$ 2,257,741</u>

**5. DEBT**

Transactions for governmental activities for the year ended June 30, 2020 were as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year
General Obligation Bonds (original amount \$800,000, 3-5%)	\$ 305,000	\$ -	\$ 45,000	\$ 260,000	\$ 45,000
Direct Borrowing ODOT Note Payable (original amount \$505,000, 1.61%)	505,000	-	-	505,000	23,373
Compensated Absences	216,972	278,732	216,972	278,732	278,732
Total	<u>\$ 1,026,972</u>	<u>\$ 278,732</u>	<u>\$ 261,972</u>	<u>\$ 1,043,732</u>	<u>\$ 347,105</u>

The GO Bonds have no significant default provisions. The ODOT note from direct borrowing contains a provision that in an event of default and the City is unable to make payment, outstanding amounts become immediately due. Another provision states that in the event of default, the State of Oregon may withhold the City's apportionment of the State Highway Fund revenue.

Governmental:			Direct Borrowing	
2005 Bonds			2017 ODOT Note	
Year	Principal	Interest	Principal	Interest
2020-2021	\$ 45,000	\$ 13,000	\$ 23,373	\$ 12,197
2021-2022	50,000	10,750	47,312	7,565
2022-2023	50,000	8,250	48,077	6,800
2023-2024	55,000	5,750	48,854	6,023
2024-2025	60,000	3,000	49,644	5,233
2025-2030	-	-	260,520	13,863
2030-2031	-	-	27,220	-
	<u>\$ 260,000</u>	<u>\$ 40,750</u>	<u>\$ 505,000</u>	<u>\$ 51,681</u>



**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**5. DEBT (CONTINUED)**

Transactions for business-type activities for the year ended June 30, 2020 were as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year
<b><u>Revenue Bonds:</u></b>					
Water Revenue Series 2008 (original amount \$2,360,000, 3.75-5%)	\$ 1,295,000	\$ -	\$ 120,000	\$ 1,175,000	\$ 125,000
2012 Refunding Bonds (original amount \$795,000, 1.85-3.6%)	330,000	-	75,000	255,000	70,000
USDA Revenue Bonds (original \$4,601,000, 2.375%)	4,232,862	-	78,956	4,153,906	80,831
Total Revenue Bonds	5,857,862	-	273,956	5,583,906	275,831
<b><u>Direct Borrowings</u></b>					
OECDL (original amount \$779,697, 3-4.75%)	507,366	-	24,138	483,228	24,324
IFA Loan 2014 (original amount \$2,625,000, 2.67%)	2,174,436	-	87,202	2,087,234	89,530
Total Direct Borrowings	2,681,802	-	111,340	2,570,462	113,854
Total	\$ 8,539,664	\$ -	\$ 385,296	\$ 8,154,368	\$ 389,685

The 2008 Water Revenue Bonds and the OECDL Loan do not have significant default provisions. The 2012 Refunding Bonds contain a provision stating that in the event of default, the majority Owners of the Bonds may take whatever action at law or in equity to enforce the Financing Agreement or protect the rights of the Owner. However, upon default the unpaid principal components will not become immediately due and payable. The USDA Revenue Bonds contain a provision that in the event of default all Net Water Revenues of the City will be accounted for in an express trust for USDA. The IFA loan contains a provision that states that in the event of default and the City is unable to make payment, all amounts outstanding become immediately due and repayment of all associated grants and interest on those grants is required.

**Revenue Bonds:**

2008 Water Revenue Bonds			2012 Refunding Bonds		2013 USDA Revenue Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2020-2021	\$ 125,000	\$ 47,976	\$ 70,000	\$ 7,345	\$ 80,831	\$ 98,655
2021-2022	130,000	42,974	40,000	5,640	82,750	96,736
2022-2023	140,000	37,774	40,000	4,400	84,716	94,770
2023-2024	145,000	32,176	35,000	3,150	86,728	92,758
2024-2025	150,000	26,194	35,000	1,890	88,788	90,698
2025-2030	485,000	33,826	35,000	630	476,588	420,482
2031-2035	-	-	-	-	535,935	361,495
2036-2040	-	-	-	-	602,674	294,756
2041-2045	-	-	-	-	677,722	219,708
2046-2050	-	-	-	-	762,115	135,315
2051-2055	-	-	-	-	675,059	40,468
	<u>\$ 1,175,000</u>	<u>\$ 220,920</u>	<u>\$ 255,000</u>	<u>\$ 23,055</u>	<u>\$ 4,153,906</u>	<u>\$ 1,945,841</u>

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**5. DEBT (CONTINUED)**

Direct Borrowings:

<u>Year</u>	<u>2009 OECDD Loan (Refinanced 2018)</u>		<u>2014 IFA Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020-2021	\$ 24,324	\$ 23,975	\$ 89,530	\$ 55,729
2021-2022	29,497	22,802	91,920	53,339
2022-2023	29,722	21,327	94,375	50,885
2023-2024	29,957	19,841	96,894	48,365
2024-2025	35,156	18,393	99,481	45,778
2025-2030	169,972	66,522	538,698	187,600
2030-2035	164,600	20,847	614,558	111,739
2036-2040	-	-	461,778	27,641
	<u>\$ 483,228</u>	<u>\$ 193,707</u>	<u>\$ 2,087,234</u>	<u>\$ 581,076</u>

The City entered into a loan agreement with Oregon DEQ, the total amount to be received is \$18,500,000, at an interest rate of 1.47%. At June 30, 2020 the City has drawn down all \$18,500,000, no amortization schedule has been set yet, all of the balance is classified as due in more than one year. The DEQ loan contains a provision that all amounts outstanding become immediately due in the event of default. Also, DEQ may notify the Oregon State Treasurer to withhold any amounts otherwise due to the City from the State of Oregon.

The City entered into a loan agreement with Oregon DEQ, the total amount to be received is \$1,750,000, at an interest rate of 1.27%. At June 30, 2020 the City has drawn down \$1,029,020, no amortization schedule has been set yet, all of the balance is classified as due in more than one year. The DEQ loan contains a provision that all amounts outstanding become immediately due in the event of default. Also, DEQ may notify the Oregon State Treasurer to withhold any amounts otherwise due to the City from the State of Oregon.

The City entered into a loan agreement with Oregon Infrastructure Finance Authority of the Business Development Department (OBDD), the total amount to be received is \$380,000, at an interest rate of 1.00%. At June 30, 2020 the City has drawn down \$337,466, no amortization schedule has been set yet, all of the balance is classified as due in more than one year. The OBDD loan contains a provision that all amounts outstanding become immediately due in the event of default.

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**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:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

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.
  - 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. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - 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 one 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 their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

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.

**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, 2017 actuarial valuation, which became effective July 1, 2019. 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, 2020 were \$435,692, excluding amounts to fund employer specific liabilities. In addition approximately \$182,055 in employee contributions were paid or picked up by the City in fiscal 2020. At June 30, 2020, the City reported a net pension liability of \$4,044,479 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2017. 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. As of the measurement date of June 30, 2019 and 2018, the City's proportion was .02 percent and .02 percent, respectively. Pension expense for the year ended June 30, 2020 was \$618,784.

The rates in effect for the year ended June 30, 2020 were:

- (1) Tier 1/Tier 2 – 18.29%
- (2) OPSRP general services – 10.88%

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 223,041	\$ -
Changes in assumptions	548,680	-
Net difference between projected and actual earnings on pension plan investments	-	114,657
Net changes in proportionate share	403,350	75,257
Differences between City contributions and proportionate share of contributions	-	204,785
Subtotal - Amortized Deferrals (below)	1,175,071	394,699
City contributions subsequent to measuring date	435,692	-
Deferred outflow (inflow) of resources	<u>\$ 1,610,763</u>	<u>\$ 394,699</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2021.

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>
2021	\$ 403,117
2022	71,667
2023	177,748
2024	118,657
2025	9,183
Thereafter	-
Total	<u>\$ 780,372</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2020. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

**Actuarial Valuations** – The employer contribution rates effective July 1, 2019 through June 30, 2021, 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.

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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, 2017
Experience Study Report	2016, Published July 26, 2017
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	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Health annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

**Assumed Asset Allocation:**

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2019 PERS CAFR; p. 100)

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

*(Source: June 30, 2019 PERS CAFR; p. 74)*

**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2019 and 2018 was 7.20 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.

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$ 6,476,875	\$ 4,044,479	\$ 2,008,899

**Changes Subsequent to the Measurement Date**

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**Deferred Compensation Plan**

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City 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 resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. 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 City.

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.



**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Pension Benefits:*

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member 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, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits:*

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

*Contributions:*

Employees of the City pay six (6) percent of their covered payroll. The City made \$182,055 in contributions to member IAP accounts for the year ended June 30, 2020.

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.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

**7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)**

**Plan Description:**

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

**Funding Policy:**

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410.

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)**

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.00% of annual covered OPERF payroll and 0.06% of OPSRP payroll under a contractual requirement in effect until June 30, 2020. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The City's contributions to RHIA for the years ended June 30, 2018, 2019 and 2020 were \$11,796, 12,775 and \$965, respectively, which equaled the required contributions each year.

At June 30, 2020, the City's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

**8. INTERFUND BALANCES**

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, 2020:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,847,100	\$ 652,400
Street Construction	305,000	-
Other Governmental	151,400	762,800
Water	-	1,818,400
Wastewater	-	2,335,900
Water Construction	250,000	-
Wastewater Construction	300,000	-
Other Business Type	1,375,000	-
Internal Service	1,541,000	200,000
Total	<u>\$ 5,769,500</u>	<u>\$ 5,769,500</u>

The Governmental Funds' balance sheet reports \$89,723 owed by the Street Construction Fund to the General Fund and \$3,412 owed by the Dial-a-Ride Fund to the General Fund.

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.

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**9. FUND BALANCE CONSTRAINTS**

The specific purposes for each of the categories of fund balance as of June 30, 2020 are as follows:

<b>Fund Balances:</b>	<b>General Fund</b>	<b>Fire Operating Fund</b>	<b>Street Construction Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b><u>Nonspendable:</u></b>					
Prepays	\$ -	\$ -	\$ -	\$ 8,130	\$ 8,130
<b><u>Restricted:</u></b>					
Street Maintenance	-	-	-	412,023	412,023
System Development Charges	-	-	-	270,723	270,723
Debt Payments	-	-	-	934	934
	-	-	-	683,680	683,680
<b><u>Committed to:</u></b>					
Tourism	-	-	-	163,599	163,599
Parks Capital Projects	-	-	-	186,743	186,743
	-	-	-	350,342	350,342
<b><u>Assigned to:</u></b>					
Bicycle Paths	6,602	-	-	-	6,602
Fire Reserve	782,897	-	-	-	782,897
Police Reserve	97,535	-	-	-	97,535
Public Works Operations Reserve	97,382	-	-	-	97,382
Park Facilities Reserve	233,819	-	-	-	233,819
Library	-	-	-	581	581
	1,218,235	-	-	581	1,218,816
<b>Unassigned:</b>	2,506,423	-	(121,076)	2,159	2,387,506
<b>Total Fund Balances</b>	<b>\$ 3,724,658</b>	<b>\$ -</b>	<b>\$ (121,076)</b>	<b>\$ 1,044,892</b>	<b>\$ 4,648,474</b>

**10. TAX ABATEMENTS**

As of June 30, 2020, the City provides tax abatements through one significant program: Enterprise Zone, ORS 285C.175.

The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2020, the City abated property taxes totaling \$152,605 under this program.

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Post-employment Health Insurance Subsidy**

Plan Description

The City administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the City's group health insurance plans. The City's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2018 and the measurement date was June 30, 2019.

Funding Policy

The City has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the City on a pay-as-you-go basis. There is no obligation on the part of the City to fund these benefits in advance. The City considered the liability to be solely the responsibility of the City as a whole and it is allocated to the governmental statements.

Actuarial Methods and Assumptions

The City engaged an actuary to perform a valuation as of June 30, 2019 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2017. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Health Care Cost Trend	Medical and vision:																														
	<table> <tr> <th><u>Year</u></th><th><u>Pre-65 Trend</u></th></tr> <tr><td>2018</td><td>6.75%</td></tr> <tr><td>2019</td><td>7.00%</td></tr> <tr><td>2020</td><td>5.50%</td></tr> <tr><td>2021-2025</td><td>5.00%</td></tr> <tr><td>2026-2029</td><td>4.75%</td></tr> <tr><td>2030-2033</td><td>5.00%</td></tr> <tr><td>2034</td><td>5.25%</td></tr> <tr><td>2035</td><td>5.75%</td></tr> <tr><td>2036-2038</td><td>6.00%</td></tr> <tr><td>2039-2045</td><td>5.75%</td></tr> <tr><td>2046-2050</td><td>5.50%</td></tr> <tr><td>2051-2061</td><td>5.25%</td></tr> <tr><td>2062-2065</td><td>5.00%</td></tr> <tr><td>2066+</td><td>4.75%</td></tr> </table>	<u>Year</u>	<u>Pre-65 Trend</u>	2018	6.75%	2019	7.00%	2020	5.50%	2021-2025	5.00%	2026-2029	4.75%	2030-2033	5.00%	2034	5.25%	2035	5.75%	2036-2038	6.00%	2039-2045	5.75%	2046-2050	5.50%	2051-2061	5.25%	2062-2065	5.00%	2066+	4.75%
<u>Year</u>	<u>Pre-65 Trend</u>																														
2018	6.75%																														
2019	7.00%																														
2020	5.50%																														
2021-2025	5.00%																														
2026-2029	4.75%																														
2030-2033	5.00%																														
2034	5.25%																														
2035	5.75%																														
2036-2038	6.00%																														
2039-2045	5.75%																														
2046-2050	5.50%																														
2051-2061	5.25%																														
2062-2065	5.00%																														
2066+	4.75%																														
	Dental: 4.50% per year																														
	Health care cost trend affects both the projected health care costs as well as the projected health care premiums.																														
General Inflation	2.50% per year, used to develop other economic assumptions																														
Annual Pay Increases	3.50% per year, based on general inflation and the likelihood of raises throughout participants' careers																														
Mortality	RP-2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.																														
Disability	Not used																														
Withdrawal	Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date.																														
Retirement	Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, duration of service, and employment classification.																														

**Changes in the Net OPEB Liability**

<b>Total OPEB Liability at June 30, 2019</b>	\$ 129,935
<b>Changes for the year:</b>	
Service cost	14,081
Interest	5,433
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	4,582
Benefit payments	(7,342)
<b>Balance as of June 30, 2020</b>	<u><u>\$ 146,689</u></u>

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 3.5%, as well as what the City's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.5%) or one percentage point higher (4.5%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 159,584	\$ 146,689	\$ 134,783

	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Increase Healthcare
Total OPEB Liability	\$ 129,145	\$ 146,689	\$ 167,570

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits

The City reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ (14,637)	\$ -
Changes in assumptions or other input	(15,292)	4,089
Benefit Payments	-	9,179
Deferred outflow (inflow) of resources	<u>\$ (29,929)</u>	<u>\$ 13,268</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>
2021	\$ (3,761)
2022	(3,761)
2023	(3,761)
2024	(3,761)
2025	(3,761)
Thereafter	(7,035)
Total	<u><u>\$ (25,840)</u></u>

**12. DEFICIT FUND BALANCES**

The ending fund balance of the Street Construction Fund as of June 30, 2020 was negative \$121,076. The deficit was the result of the City not receiving a planned reimbursement from the Oregon Department of Transportation. A transfer has been budgeted in 2020-2021 to eliminate the deficit balance.

**CITY OF SUTHERLIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**13. 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.

**14. CONTINGENCIES**

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closure of government and business activities. These developments are expected to impact City revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the City expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2020**

**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) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.02 %	\$ 4,044,479	\$ 2,957,914	137%	80.2 %
2019	0.02	3,269,663	2,715,431	120%	82.1
2018	0.02	2,424,799	2,649,160	92%	83.1
2017	0.02	2,930,363	2,477,286	118	80.5
2016	0.02	1,190,449	2,268,510	52.48	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
2020	\$ 435,692	\$ 435,692	\$ -	\$ 3,300,218	13.2 %
2019	249,946	249,946	-	2,957,914	8.5
2018	218,437	218,437	-	2,715,431	8.0
2017	168,464	168,464	-	2,649,160	6.4
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**

**SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS**  
**For the Year Ended June 30, 2020**

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
<b>Total Other Post Employment Benefits Liability at beginning of year</b>	<b>\$ 139,232</b>	<b>\$ 145,603</b>	<b>\$ 129,935</b>
<b>Changes for the year:</b>			
Service Cost	17,235	16,386	14,081
Interest	4,377	5,663	5,433
Changes in Benefit Terms	-	-	-
Differences between expected and actual experience	-	(18,647)	-
Changes in assumptions or other input	(9,403)	(11,409)	4,582
Benefit Payments	<u>(5,838)</u>	<u>(7,661)</u>	<u>(7,342)</u>
Net changes for the year	<u>6,371</u>	<u>(15,668)</u>	<u>16,754</u>
<b>Total Other Post Employment Benefits Liability at year end</b>	<b><u>\$ 145,603</u></b>	<b><u>\$ 129,935</u></b>	<b><u>\$ 146,689</u></b>
<b>Fiduciary Net Position - Beginning</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Contributions - Employer	5,838	7,661	7,342
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(5,838)	(7,661)	(7,342)
Administrative Expense	<u>-</u>	<u>-</u>	<u>-</u>
Net changes for the year	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fiduciary Net Position - Ending</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Net Liability for Other Post Employment Benefits - End of Year</b>	<b><u>\$ 145,603</u></b>	<b><u>\$ 129,935</u></b>	<b><u>\$ 146,689</u></b>
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%	0%	0%
Covered Payroll	<b>\$ 2,732,858</b>	<b>\$ 2,965,721</b>	<b>\$ 3,176,337</b>
Net Single Employer Pension Plan as a Percentage of Covered Payroll	5%	4%	5%

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2020**

	<u>GENERAL FUND</u>			VARIANCE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Property Taxes	\$ 3,085,900	\$ 3,085,900	\$ 3,109,998	\$ 24,098
Franchise Fees	466,225	466,225	449,501	(16,724)
Licences, Permits and Fees	500	500	965	465
Fines and Forfeitures	120,000	120,000	118,113	(1,887)
Charges for Services	24,000	24,000	35,835	11,835
Intergovernmental	546,210	546,210	550,336	4,126
Interest	40,000	40,000	50,158	10,158
Miscellaneous	23,000	23,000	65,462	42,462
Total Revenues	<u>4,305,835</u>	<u>4,305,835</u>	<u>4,380,368</u>	<u>74,533</u>
<b>EXPENDITURES</b>				
City Manager's Office	147,698	147,698 (1)	146,367	1,331
City Attorney	44,500	44,500 (1)	22,425	22,075
Mayor & Council	4,000	4,000 (1)	3,415	585
Non-Departmental	291,950	291,950 (1)	271,325	20,625
City Recorder/HR	242,062	248,062 (1)	241,135	6,927
Municipal Court	212,861	212,861 (1)	172,261	40,600
Finance	453,936	453,936 (1)	425,386	28,550
Planning	448,825	448,825 (1)	417,992	30,833
Police	2,398,251	2,398,251 (1)	2,114,054	284,197
Parks/Facilities	183,660	183,660 (1)	170,772	12,888
Fire	1,024,568	1,024,568 (1)	958,477	66,091
Contingency	200,000	194,000 (1)	-	194,000
Total Expenditures	<u>5,652,311</u>	<u>5,652,311</u>	<u>4,943,609</u>	<u>708,702</u>
Excess of Revenues Over, (Under) Expenditures	(1,346,476)	(1,346,476)	(563,241)	783,235
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers Out	(632,400)	(632,400) (1)	(632,400)	-
Transfers In	1,203,200	1,203,200	1,182,100	(21,100)
Net Change in Fund Balance	(775,676)	(775,676)	(13,541)	762,135
Beginning Fund Balance	<u>2,387,000</u>	<u>2,387,000</u>	<u>2,519,964</u>	<u>132,964</u>
Ending Fund Balance	<u>\$ 1,611,324</u>	<u>\$ 1,611,324</u>	<u>\$ 2,506,423</u>	<u>\$ 895,099</u>
Reconciliation to GAAP Fund Balance:				
Ending Fund Balances				
Bicycle / Footpath Fund			6,602	
Police Reserve			97,535	
Public Works Operations Reserve			97,382	
Fire Reserve Fund			782,897	
Parks Facilities Reserve Fund			233,819	
			<u>\$ 3,724,658</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, 2020**

<u>STREET CONSTRUCTION FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Intergovernmental	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
Interest	-	-	1,302	1,302
Total Revenues	400,000	400,000	1,302	(398,698)
<b>EXPENDITURES</b>				
Capital Outlay	700,000	700,000 (1)	501,002	198,998
Contingency	25,000	25,000 (1)	-	25,000
Total Expenditures	725,000	725,000	501,002	223,998
Excess of Revenues Over, (Under) Expenditures	(325,000)	(325,000)	(499,700)	(174,700)
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	305,000	305,000	305,000	-
Total Other Financing Sources, (Uses)	305,000	305,000	305,000	-
Net Change in Fund Balance	(20,000)	(20,000)	(194,700)	(174,700)
Beginning Fund Balance	20,000	20,000	73,624	53,624
Ending Fund Balance	\$ -	\$ -	\$ (121,076)	\$ (121,076)

(1) Appropriation Level

**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, 2020**

<u>WATER OPERATIONS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Charges for Services	\$ 2,177,500	\$ 2,177,500	\$ 2,200,786	\$ 23,286
System Development Charges	3,000	3,000	4,199	1,199
Interest	<u>4,000</u>	<u>4,000</u>	<u>9,784</u>	<u>5,784</u>
Total Revenues	<u>2,184,500</u>	<u>2,184,500</u>	<u>2,214,769</u>	<u>30,269</u>
<b>EXPENDITURES</b>				
Materials and Services	493,400	493,400 (1)	386,580	106,820
Contingency	<u>159,700</u>	<u>159,700 (1)</u>	<u>-</u>	<u>159,700</u>
Total Expenditures	<u>653,100</u>	<u>653,100</u>	<u>386,580</u>	<u>159,700</u>
Excess of Revenues Over, (Under) Expenditures	<u>1,531,400</u>	<u>1,531,400</u>	<u>1,828,189</u>	<u>296,789</u>
<b>OTHER FINANCING SOURCES, (USES)</b>				
Interfund Loan	-	-	-	-
Transfers Out	<u>(1,818,400)</u>	<u>(1,818,400) (1)</u>	<u>(1,818,400)</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>(1,818,400)</u>	<u>(1,818,400)</u>	<u>(1,818,400)</u>	<u>-</u>
Net Change in Fund Balance	(287,000)	(287,000)	9,789	296,789
Beginning Fund Balance	<u>287,000</u>	<u>287,000</u>	<u>363,282</u>	<u>76,282</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>373,071</u>	<u>\$ 373,071</u>
<b>Reconciling Items:</b>				
Capital Assets, Net			13,576,538	
Deferred Revenue			30,598	
Accrued Interest			(46,574)	
Long-Term Obligations			<u>(6,149,600)</u>	
Net Position			<u>\$ 7,784,033</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, 2020**

<u>WASTEWATER OPERATIONS FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Charges for Services	\$ 2,755,000	\$ 2,755,000	\$ 2,765,954	\$ 10,954
Interest	5,000	5,000	5,088	88
Miscellaneous	-	-	9,640	9,640
Total Revenues	2,760,000	2,760,000	2,780,682	20,682
<b>EXPENDITURES</b>				
Materials and Services	576,100	736,100 (1)	666,252	69,848
Contingency	249,000	89,000 (1)	-	89,000
Total Expenditures	825,100	825,100	666,252	158,848
Excess of Revenues over Expenditures	1,934,900	1,934,900	2,114,430	(138,166)
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers Out	(2,335,900)	(2,335,900) (1)	(2,335,900)	-
Total Other Financing Sources	(2,335,900)	(2,335,900)	(2,335,900)	-
Net Change in Fund Balance	(401,000)	(401,000)	(221,470)	20,682
Beginning Fund Balance	401,000	401,000	388,079	(12,921)
Ending Fund Balance	\$ -	\$ -	\$ 166,609	\$ 166,609
<b>Reconciling Items:</b>				
Capital Assets, Net			29,067,223	
Deferred Revenue			36,371	
Accrued Interest			(43,917)	
Long-Term Obligations			(21,871,254)	
Net Position			\$ 7,355,032	

(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, 2020**

WATER CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 45,000	\$ 45,000	\$ 52,696	\$ 7,696
Intergovernmental	448,000	448,000	-	(448,000)
Interest	10,000	10,000	19,928	9,928
Total Revenues	503,000	503,000	72,624	(430,376)
EXPENDITURES				
Capital Outlay	1,626,000	1,626,000 (1)	947,363	678,637
Contingency	1,066,000	1,066,000 (1)	-	1,066,000
Total Expenditures	2,692,000	2,692,000	947,363	1,744,637
Excess of Revenues Over, (Under) Expenditures	(2,189,000)	(2,189,000)	(874,739)	1,314,261
OTHER FINANCING SOURCES, (USES)				
Debt Proceeds	1,138,000	1,138,000	337,466	(800,534)
Transfers In	250,000	250,000	250,000	-
Net Change in Fund Balance	(801,000)	(801,000)	(287,273)	513,727
Beginning Fund Balance	801,000	801,000	1,045,606	244,606
Ending Fund Balance	\$ -	\$ -	\$ 758,333	\$ 758,333

(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, 2020**

WASTEWATER CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 7,500	\$ 7,500	\$ 5,557	\$ (1,943)
Interest	1,500	1,500	7,373	5,873
Total Revenues	9,000	9,000	12,930	3,930
EXPENDITURES				
Capital Outlay	7,050,000	7,050,000 (1)	5,648,394	1,401,606
Contingency	5,000	5,000 (1)	-	5,000
Total Expenditures	7,055,000	7,055,000	5,648,394	1,406,606
Excess of Revenues Over, (Under) Expenditures	(7,046,000)	(7,046,000)	(5,635,464)	1,410,536
OTHER FINANCING SOURCES, (USES)				
Loan Proceeds	6,000,000	6,000,000	5,031,915	(968,085)
Transfers In	300,000	300,000	300,000	-
Net Change in Fund Balance	(746,000)	(746,000)	(303,549)	442,451
Beginning Fund Balance	746,000	746,000	583,904	(162,096)
Ending Fund Balance	\$ -	\$ -	\$ 280,355	\$ 280,355

(1) Appropriation Level

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS**

**June 30, 2020**

	STATE GAS TAX FUND	STREET SDC FUND	TOURISM MOTEL TAX	LIBRARY BOARD FUND	DIAL A RIDE FUND
<b>ASSETS</b>					
Cash and Equivalents	\$ 383,729	\$ 270,723	\$ 173,264	\$ 581	\$ -
Prepays	8,130	-	-	-	-
Accounts Receivable	35,182	-	16,926	-	5,857
Total Assets	<u>\$ 427,041</u>	<u>\$ 270,723</u>	<u>\$ 190,190</u>	<u>\$ 581</u>	<u>\$ 5,857</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 6,888	\$ -	\$ 26,591	\$ -	\$ 286
Due to Other Funds	-	-	-	-	3,412
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>6,888</u>	<u>-</u>	<u>26,591</u>	<u>-</u>	<u>3,698</u>
<b>FUND BALANCES</b>					
Unspendable	8,130	-	-	-	-
Restricted	412,023	270,723	-	-	-
Committed	-	-	163,599	-	-
Assigned	-	-	-	581	-
Unassigned	-	-	-	-	2,159
Total Fund Balances	<u>420,153</u>	<u>270,723</u>	<u>163,599</u>	<u>581</u>	<u>2,159</u>
Total Liabilities and Fund Balances	<u>\$ 427,041</u>	<u>\$ 270,723</u>	<u>\$ 190,190</u>	<u>\$ 581</u>	<u>\$ 5,857</u>

DEBT SERVICE	CAPITAL	
	PROJECTS FUNDS	
LIBRARY	PARKS	
GO BOND	CONSTRUCTION	
FUND	FUND	TOTAL
\$ 934	\$ 169,904	\$ 999,135
-	-	8,130
5,329	30,208	93,502
<u>\$ 6,263</u>	<u>\$ 200,112</u>	<u>\$ 1,100,767</u>
\$ -	\$ 13,369	\$ 47,134
-	-	3,412
5,329	-	5,329
<u>5,329</u>	<u>13,369</u>	<u>55,875</u>
-	-	8,130
934	-	683,680
-	186,743	350,342
-	-	581
-	-	2,159
<u>934</u>	<u>186,743</u>	<u>1,044,892</u>
<u>\$ 6,263</u>	<u>\$ 200,112</u>	<u>\$ 1,100,767</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, 2020**

	STATE GAS TAX FUND	STREET SDC FUND	TOURISM MOTEL TAX	LIBRARY BOARD FUND	DIAL A RIDE FUND
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
System Development Charges	-	38,177	-	-	-
Assessments	-	-	164,416	-	-
Grants and Contributions	-	-	-	-	18,143
Intergovernmental	554,887	-	-	-	-
Interest	7,920	5,969	4,558	198	-
Miscellaneous	135,929	-	5,000	-	-
Total Revenues	<u>\$ 698,736</u>	<u>\$ 44,146</u>	<u>\$ 173,974</u>	<u>\$ 198</u>	<u>\$ 18,143</u>
<b>EXPENDITURES</b>					
Current					
Culture and Recreation	-	-	-	26,400	25,717
Tourism	-	-	109,620	-	-
Highways and Streets	105,836	-	-	-	-
Capital Outlay	111,753	-	-	-	-
Debt Service	2,168	-	7	-	-
Total Expenditures	<u>219,757</u>	<u>-</u>	<u>109,627</u>	<u>26,400</u>	<u>25,717</u>
Excess of Revenues Over, (Under) Expenditures	478,979	44,146	64,347	(26,202)	(7,574)
<b>OTHER FINANCING SOURCES, (USES)</b>					
Transfers In	-	-	-	26,400	-
Transfers Out	<u>(487,800)</u>	<u>(155,000)</u>	<u>(120,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>(487,800)</u>	<u>(155,000)</u>	<u>(120,000)</u>	<u>26,400</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(8,821)	(110,854)	(55,653)	198	(7,574)
BEGINNING FUND BALANCES	<u>428,974</u>	<u>381,577</u>	<u>219,252</u>	<u>383</u>	<u>9,733</u>
ENDING FUND BALANCES	<u>\$ 420,153</u>	<u>\$ 270,723</u>	<u>\$ 163,599</u>	<u>\$ 581</u>	<u>\$ 2,159</u>

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DEBT SERVICE	CAPITAL PROJECTS FUNDS	
LIBRARY	PARKS	
GO BOND	CONSTRUCTION	
FUND	FUND	TOTAL
\$ 56,000	\$ -	\$ 56,000
-	14,400	52,577
-	-	164,416
-	87,392	105,535
-	-	554,887
32	2,998	21,675
-	-	140,929
<u>\$ 56,032</u>	<u>\$ 104,790</u>	<u>\$ 1,096,019</u>
-	-	52,117
-	-	109,620
-	-	105,836
-	105,321	217,074
<u>59,856</u>	<u>-</u>	<u>62,031</u>
<u>59,856</u>	<u>105,321</u>	<u>546,678</u>
(3,824)	(531)	549,341
-	125,000	151,400
<u>-</u>	<u>-</u>	<u>(762,800)</u>
<u>-</u>	<u>125,000</u>	<u>(611,400)</u>
(3,824)	124,469	(62,059)
<u>4,758</u>	<u>62,274</u>	<u>1,106,951</u>
<u>\$ 934</u>	<u>\$ 186,743</u>	<u>\$ 1,044,892</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, 2020**

<u>STATE GAS TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 554,887	\$ (45,113)
Charges for Service	135,900	135,900	135,929	29
Interest	<u>2,000</u>	<u>2,000</u>	<u>7,920</u>	<u>5,920</u>
Total Revenues	<u>737,900</u>	<u>737,900</u>	<u>698,736</u>	<u>(39,164)</u>
<b>EXPENDITURES</b>				
Materials and Services	156,700	156,700 (1)	105,836	50,864
Capital Outlay	300,000	300,000 (1)	111,753	188,247
Debt Service	2,500	2,500 (1)	2,168	332
Contingency	<u>41,900</u>	<u>41,900</u> (1)	<u>-</u>	<u>41,900</u>
Total Expenditures	<u>501,100</u>	<u>501,100</u>	<u>219,757</u>	<u>281,343</u>
Excess of Revenues Over, (Under) Expenditures	236,800	236,800	478,979	242,179
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers Out	<u>(487,800)</u>	<u>(487,800)</u> (1)	<u>(487,800)</u>	<u>-</u>
Net Change in Fund Balance	(251,000)	(251,000)	(8,821)	242,179
Beginning Fund Balance	<u>251,000</u>	<u>251,000</u>	<u>428,974</u>	<u>177,974</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,153</u>	<u>\$ 420,153</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, 2020**

STREET SDC SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
System Development Charges	\$ 50,000	\$ 50,000	\$ 38,177	\$ (11,823)
Interest	5,000	5,000	5,969	969
Total Revenues	55,000	55,000	44,146	(10,854)
EXPENDITURES				
Contingency	274,000	274,000 (1)	-	274,000
Total Expenditures	274,000	274,000	-	274,000
Excess of Revenues Over, (Under) Expenditures	(219,000)	(219,000)	44,146	263,146
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(155,000)	(155,000) (1)	(155,000)	-
Net Change in Fund Balance	(374,000)	(374,000)	(110,854)	263,146
Beginning Fund Balance	374,000	374,000	381,577	7,577
Ending Fund Balance	\$ -	\$ -	\$ 270,723	\$ 270,723

(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, 2020**

<u>TOURISM - MOTEL TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Assessments	\$ 190,000	\$ 190,000	\$ 164,416	\$ (25,584)
Interest	2,500	2,500	4,558	2,058
Miscellaneous	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total Revenues	<u>192,500</u>	<u>192,500</u>	<u>173,974</u>	<u>(18,526)</u>
<b>EXPENDITURES</b>				
Materials and Services	204,200	154,200 (1)	109,620	44,580
Debt Service	5,640	5,640 (1)	5,635	5
Contingency	<u>187,660</u>	<u>132,660 (1)</u>	<u>-</u>	<u>132,660</u>
Total Expenditures	<u>397,500</u>	<u>292,500</u>	<u>115,255</u>	<u>177,245</u>
Excess of Revenues Over, (Under) Expenditures	(205,000)	(100,000)	58,719	158,719
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers Out	<u>(15,000)</u>	<u>(120,000) (1)</u>	<u>(120,000)</u>	<u>-</u>
Net Change in Fund Balance	(220,000)	(220,000)	(61,281)	158,719
Beginning Fund Balance	<u>220,000</u>	<u>220,000</u>	<u>224,880</u>	<u>4,880</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,599</u>	<u>\$ 163,599</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, 2020**

<u>LIBRARY BOARD FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Interest	\$ 25	\$ 25	\$ 198	\$ 173
Total Revenues	<u>25</u>	<u>25</u>	<u>198</u>	<u>173</u>
<b>EXPENDITURES</b>				
Materials and Services	26,400	26,400 (1)	26,400	-
Contingency	<u>425</u>	<u>425 (1)</u>	<u>-</u>	<u>425</u>
Total Expenditures	<u>26,825</u>	<u>26,825</u>	<u>26,400</u>	<u>425</u>
Excess of Revenues Over, (Under) Expenditures	(26,800)	(26,800)	(26,202)	598
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>	<u>-</u>
Net Change in Fund Balance	(400)	(400)	198	598
Beginning Fund Balance	<u>400</u>	<u>400</u>	<u>383</u>	<u>(17)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 581</u>	<u>\$ 581</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, 2020**

	<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	\$ 143,992	\$ 143,992	\$ 18,143	\$ (125,849)
Miscellaneous	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>(3,500)</u>
Total Revenues	<u>147,492</u>	<u>147,492</u>	<u>18,143</u>	<u>(129,349)</u>
EXPENDITURES				
Materials and Services	134,050	134,050 (1)	25,717	108,333
Contingency	<u>1,342</u>	<u>1,342 (1)</u>	<u>-</u>	<u>1,342</u>
Total Expenditures	<u>135,392</u>	<u>135,392</u>	<u>25,717</u>	<u>109,675</u>
Excess of Revenues Over, (Under) Expenditures	12,100	12,100	(7,574)	(19,674)
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(21,100)</u>	<u>(21,100) (1)</u>	<u>-</u>	<u>21,100</u>
Net Change in Fund Balance	(9,000)	(9,000)	(7,574)	1,426
Beginning Fund Balance	<u>9,000</u>	<u>9,000</u>	<u>9,733</u>	<u>733</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,159</u>	<u>\$ 2,159</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, 2020**

<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	\$ 56,000	\$ 56,000	\$ 56,000	\$ -
Interest	<u>250</u>	<u>250</u>	<u>32</u>	<u>(218)</u>
Total Revenues	<u>56,250</u>	<u>56,250</u>	<u>56,032</u>	<u>(218)</u>
EXPENDITURES				
Debt Service	<u>59,900</u>	<u>59,900</u> (1)	<u>59,856</u>	<u>44</u>
Total Expenditures	<u>59,900</u>	<u>59,900</u>	<u>59,856</u>	<u>44</u>
Net Change in Fund Balance	(3,650)	(3,650)	(3,824)	(174)
Beginning Fund Balance	<u>5,000</u>	<u>5,000</u>	<u>4,758</u>	<u>(242)</u>
Ending Fund Balance	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 934</u>	<u>\$ (416)</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, 2020**

<u>PARKS CONSTRUCTION FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
System Development Charges	\$ 7,500	\$ 7,500	\$ 14,400	\$ 6,900
Grants and Contributions	-	632,086	87,392	(544,694)
Interest	<u>200</u>	<u>200</u>	<u>2,998</u>	<u>2,798</u>
Total Revenues	<u>7,700</u>	<u>639,786</u>	<u>104,790</u>	<u>(534,996)</u>
<b>EXPENDITURES</b>				
Capital Outlay	25,000	762,086 (1)	105,321	656,765
Contingency	<u>61,700</u>	<u>61,700</u> (1)	<u>-</u>	<u>61,700</u>
Total Expenditures	<u>86,700</u>	<u>823,786</u>	<u>105,321</u>	<u>718,465</u>
Excess of Revenues Over, (Under) Expenditures	(79,000)	(184,000)	(531)	183,469
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	<u>20,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Net Change in Fund Balance	(59,000)	(59,000)	124,469	183,469
Beginning Fund Balance	<u>59,000</u>	<u>59,000</u>	<u>62,274</u>	<u>3,274</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,743</u>	<u>\$ 186,743</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, 2020**

	<u>BICYCLE FOOTPATH FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 5,650	\$ (350)
Interest	<u>100</u>	<u>100</u>	<u>115</u>	<u>15</u>
Total Revenues	<u>6,100</u>	<u>6,100</u>	<u>5,765</u>	<u>(335)</u>
EXPENDITURES				
Contingency	<u>8,100</u>	<u>8,100</u> (1)	<u>-</u>	<u>8,100</u>
Total Expenditures	<u>8,100</u>	<u>8,100</u>	<u>-</u>	<u>8,100</u>
Excess of Revenues Over, (Under) Expenditures	(2,000)	(2,000)	5,765	7,765
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net Change in Fund Balance	(22,000)	(22,000)	(14,235)	7,765
Beginning Fund Balance	<u>22,000</u>	<u>22,000</u>	<u>20,837</u>	<u>(1,163)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,602</u>	<u>\$ 6,602</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, 2020**

<u>POLICE RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Interest	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ 1,039</u>	<u>\$ (161)</u>
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>1,039</u>	<u>(161)</u>
<b>EXPENDITURES</b>				
Capital Outlay	65,500	76,500 (1)	76,071	429
Contingency	<u>95,700</u>	<u>84,700 (1)</u>	<u>-</u>	<u>84,700</u>
Total Expenditures	<u>161,200</u>	<u>161,200</u>	<u>76,071</u>	<u>85,129</u>
Excess of Revenues Over, (Under) Expenditures	(160,000)	(160,000)	(75,032)	84,968
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	(60,000)	(60,000)	24,968	84,968
Beginning Fund Balance	<u>60,000</u>	<u>60,000</u>	<u>72,567</u>	<u>12,567</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,535</u>	<u>\$ 97,535</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, 2020**

	<u>FIRE RESERVE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,000	\$ 2,000
Interest	<u>6,000</u>	<u>6,000</u>	<u>14,632</u>	<u>8,632</u>
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>16,632</u>	<u>10,632</u>
EXPENDITURES				
Capital Outlay	-	470,000 (1)	27,524	442,476
Contingency	<u>797,000</u>	<u>327,000 (1)</u>	<u>-</u>	<u>327,000</u>
Total Expenditures	<u>797,000</u>	<u>797,000</u>	<u>27,524</u>	<u>769,476</u>
Excess of Revenues Over, (Under) Expenditures	(791,000)	(791,000)	(10,892)	780,108
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>-</u>
Net Change in Fund Balance	(626,000)	(626,000)	154,108	780,108
Beginning Fund Balance	<u>626,000</u>	<u>626,000</u>	<u>628,789</u>	<u>2,789</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 782,897</u>	<u>\$ 782,897</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, 2020**

PUBLIC WORKS OPERATIONS RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 3,000	\$ 3,000	\$ 7,293	\$ 4,293
Total Revenues	3,000	3,000	7,293	4,293
EXPENDITURES				
Capital Outlay	500,000	500,000 (1)	421,158	78,842
Contingency	13,000	13,000 (1)	-	13,000
Total Expenditures	513,000	513,000	421,158	91,842
Excess of Revenues Over, (Under) Expenditures	(510,000)	(510,000)	(413,865)	96,135
OTHER FINANCING SOURCES, (USES)				
Transfers In	200,000	200,000	200,000	-
Net Change in Fund Balance	(310,000)	(310,000)	(213,865)	96,135
Beginning Fund Balance	310,000	310,000	311,247	1,247
Ending Fund Balance	\$ -	\$ -	\$ 97,382	\$ 97,382

(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, 2020**

**PARKS/FACILITIES RESERVE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 2,500	\$ 2,500	\$ 3,720	\$ 1,220
Miscellaneous	-	-	40,025	40,025
Total Revenues	2,500	2,500	43,745	41,245
EXPENDITURES				
Capital Outlay	295,000	295,000 (1)	129,679	165,321
Contingency	59,500	59,500 (1)	-	59,500
Total Expenditures	354,500	354,500	129,679	224,821
Excess of Revenues Over, (Under) Expenditures	(352,000)	(352,000)	(85,934)	266,066
OTHER FINANCING SOURCES, (USES)				
Transfers In	200,000	200,000	200,000	-
Net Change in Fund Balance	(152,000)	(152,000)	114,066	266,066
Beginning Fund Balance	152,000	152,000	119,753	(32,247)
Ending Fund Balance	\$ -	\$ -	\$ 233,819	\$ 233,819

(1) Appropriation Level

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF NET POSITION -  
NONMAJOR ENTERPRISE FUNDS**

**June 30, 2020**

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 339,055	\$ 89,956	\$ 54,119
Accounts Receivable	-	-	-
Prepays	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 339,055</u></u>	<u><u>\$ 89,956</u></u>	<u><u>\$ 54,119</u></u>
<b>NET POSITION</b>			
Restricted for Bond Covenant	\$ -	\$ -	\$ -
Restricted for Debt Service	-	-	-
Unrestricted	<u>339,055</u>	<u>89,956</u>	<u>54,119</u>
Total Net Position	<u>339,055</u>	<u>89,956</u>	<u>54,119</u>
Total Liabilities and Net Position	<u><u>\$ 339,055</u></u>	<u><u>\$ 89,956</u></u>	<u><u>\$ 54,119</u></u>

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WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
\$ 319,260	\$ 1,365,526	\$ 2,167,916
-	153,395	153,395
23,988	-	23,988
<u>343,248</u>	<u>-</u>	<u>23,988</u>
\$ 343,248	\$ 1,518,921	\$ 2,345,299
<u>343,248</u>	<u>1,518,921</u>	<u>2,345,299</u>
\$ 195,724	\$ -	\$ 195,724
147,524	1,518,921	1,666,445
-	-	483,130
<u>343,248</u>	<u>1,518,921</u>	<u>2,345,299</u>
343,248	1,518,921	2,345,299
<u>343,248</u>	<u>1,518,921</u>	<u>2,345,299</u>
<u>343,248</u>	<u>1,518,921</u>	<u>2,345,299</u>

**CITY OF SUTHERLIN**  
**DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - NONMAJOR ENTERPRISE FUNDS**

**For the Year Ended June 30, 2020**

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
	<u>                    </u>	<u>                    </u>	<u>                    </u>
OPERATING REVENUES			
Charges for Services	\$ -	\$ -	\$ 19,209
OPERATING EXPENSES			
Materials and Services	<u>-</u>	<u>-</u>	<u>6,390</u>
Operating income (loss)	-	-	12,819
NONOPERATING REVENUES (EXPENSES)			
Interest	7,055	1,684	973
Debt Service	-	-	-
Transfers In	<u>-</u>	<u>15,000</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>7,055</u>	<u>16,684</u>	<u>973</u>
Change in Net Position	7,055	16,684	13,792
Beginning Net Position	<u>332,000</u>	<u>73,272</u>	<u>40,327</u>
Ending Net Position	<u><u>\$ 339,055</u></u>	<u><u>\$ 89,956</u></u>	<u><u>\$ 54,119</u></u>

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WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
<u>                    </u>	<u>                    </u>	<u>                    </u>
\$ -	\$ 5,639	\$ 24,848
 -	 -	 6,390
<u>                    </u>	<u>                    </u>	<u>                    </u>
-	5,639	18,458
 4,820	 18,560	 33,092
(401,360)	(229,852)	(631,212)
<u>460,000</u>	<u>900,000</u>	<u>1,375,000</u>
 63,460	 688,708	 776,880
<u>                    </u>	<u>                    </u>	<u>                    </u>
63,460	694,347	795,338
 279,788	 824,574	 1,549,961
<u>                    </u>	<u>                    </u>	<u>                    </u>
\$ 343,248	\$ 1,518,921	\$ 2,345,299
<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, 2020**

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
Cash Flows from Operating Activities:			
Cash from Customers	\$ -	\$ -	\$ 19,209
Cash paid to Suppliers	(355)	-	(6,390)
	<u>(355)</u>	<u>-</u>	<u>(6,390)</u>
Cash flow from Operations	(355)	-	12,819
Cash Flows from Investing Activities:			
Earnings on Investments and Other	7,055	1,684	973
	<u>7,055</u>	<u>1,684</u>	<u>973</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Loans	5,628	-	-
Transfers	-	15,000	-
	<u>-</u>	<u>15,000</u>	<u>-</u>
Cash flow from Noncapital Financing	5,628	15,000	-
	<u>5,628</u>	<u>15,000</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:			
Payments on long term debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	12,328	16,684	13,792
	<u>12,328</u>	<u>16,684</u>	<u>13,792</u>
Cash and Cash Equivalents, Beginning	326,727	73,272	40,327
	<u>326,727</u>	<u>73,272</u>	<u>40,327</u>
Cash and Cash Equivalents, Ending	\$ 339,055	\$ 89,956	\$ 54,119
	<u><u>\$ 339,055</u></u>	<u><u>\$ 89,956</u></u>	<u><u>\$ 54,119</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income, (Loss)	\$ -	\$ -	\$ 12,819
Noncash Items Included in Income:			
(Increase), Decrease in Assets and Accrued Liabilities	-	-	-
	(355)	-	-
	<u>(355)</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	\$ (355)	\$ -	\$ 12,819
	<u><u>\$ (355)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,819</u></u>

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WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
\$ 2,400	\$ 50,756	\$ 72,365
-	-	(6,745)
2,400	50,756	65,620
4,820	18,560	33,092
-	-	5,628
460,000	900,000	1,375,000
460,000	900,000	1,380,628
(401,360)	(229,852)	(631,212)
65,860	739,464	848,128
253,400	626,062	1,319,788
\$ 319,260	\$ 1,365,526	\$ 2,167,916
\$ -	\$ 5,639	\$ 18,458
2,400	45,117	47,517
-	-	(355)
\$ 2,400	\$ 50,756	\$ 65,620

**CITY OF SUTHERLIN**  
**DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET**  
**For the Year Ended June 30, 2020**

WATER RESERVE FUND  
A NONMAJOR ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 3,000	\$ 3,000	\$ 7,054	\$ 4,054
Miscellaneous	5,630	5,630	5,628	(2)
Total Revenues	8,630	8,630	12,682	4,052
EXPENDITURES				
Capital Outlay	125,000	125,000 (1)	-	125,000
Contingency	210,630	210,630 (1)	-	210,630
Total Expenditures	335,630	335,630	-	335,630
Excess of Revenues Over, (Under) Expenditures	(327,000)	(327,000)	12,682	339,682
Net Change in Fund Balance	(327,000)	(327,000)	12,682	339,682
Beginning Fund Balance	327,000	327,000	326,373	(627)
Ending Fund Balance	\$ -	\$ -	\$ 339,055	\$ 339,055

(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, 2020**

<u>PUBLIC WORKS WASTEWATER 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	\$ 1,000	\$ 1,000	\$ 1,684	\$ 684
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,684</u>	<u>684</u>
EXPENDITURES				
Contingency	<u>91,000</u>	<u>91,000 (1)</u>	<u>-</u>	<u>91,000</u>
Total Expenditures	<u>91,000</u>	<u>91,000</u>	<u>-</u>	<u>91,000</u>
Excess of Revenues Over, (Under) Expenditures	(90,000)	(90,000)	1,684	91,684
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balance	(75,000)	(75,000)	16,684	91,684
Beginning Fund Balance	<u>75,000</u>	<u>75,000</u>	<u>73,272</u>	<u>(1,728)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,956</u>	<u>\$ 89,956</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, 2020**

KNOLLS ESTATE STEP SURCHARGE FUND  
A NONMAJOR ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 16,500	\$ 16,500	\$ 19,209	\$ 2,709
Interest	400	400	973	573
Total Revenues	16,900	16,900	20,182	3,282
EXPENDITURES				
Materials and Services	25,000	25,000 (1)	6,390	18,610
Contingency	25,900	25,900 (1)	-	25,900
Total Expenditures	50,900	50,900	6,390	44,510
Net Change in Fund Balance	(34,000)	(34,000)	13,792	47,792
Beginning Fund Balance	34,000	34,000	40,327	6,327
Ending Fund Balance	\$ -	\$ -	\$ 54,119	\$ 54,119

(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, 2020**

	<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	\$ 3,000	\$ 3,000	\$ 4,820	\$ 1,820
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>4,820</u>	<u>1,820</u>
EXPENDITURES				
Debt Service	426,450	426,450 (1)	401,360	25,090
Contingency	<u>1,775</u>	<u>1,775 (1)</u>	<u>-</u>	<u>1,775</u>
Total Expenditures	<u>428,225</u>	<u>428,225</u>	<u>401,360</u>	<u>26,865</u>
Excess of Revenues Over, (Under) Expenditures	(425,225)	(425,225)	(396,540)	28,685
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>	<u>-</u>
Net Change in Fund Balance	34,775	34,775	63,460	28,685
Beginning Fund Balance	<u>280,000</u>	<u>280,000</u>	<u>279,788</u>	<u>(212)</u>
Ending Fund Balance	<u>\$ 314,775</u>	<u>\$ 314,775</u>	<u>\$ 343,248</u>	<u>\$ 28,473</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, 2020**

<u>WASTEWATER 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				
Assesments	\$ 50,760	\$ 50,760	\$ 50,756	\$ (4)
Interest	5,000	5,000	18,560	13,560
Total Revenues	<u>55,760</u>	<u>55,760</u>	<u>69,316</u>	<u>13,556</u>
EXPENDITURES				
Debt Service	1,097,525	1,097,525 (1)	229,852	867,673
Contingency	482,235	482,235 (1)	-	482,235
Total Expenditures	<u>1,579,760</u>	<u>1,579,760</u>	<u>229,852</u>	<u>1,349,908</u>
Excess of Revenues Over, (Under) Expenditures	(1,524,000)	(1,524,000)	(160,536)	1,363,464
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>
Net Change in Fund Balance	(624,000)	(624,000)	739,464	1,363,464
Beginning Fund Balance	<u>624,000</u>	<u>624,000</u>	<u>626,062</u>	<u>2,062</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,365,526</u>	<u>\$ 1,365,526</u>
Reconciliation to GAAP:				
Deferred Revenue			<u>\$ 153,395</u>	
GAAP Net Position			<u>\$ 1,518,921</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, 2020**

PUBLIC WORKS OPERATIONS FUND - INTERNAL SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Earnings on Investments	\$ 1,500	\$ 1,500	\$ 3,308	\$ 1,808
Total Revenues	1,500	1,500	3,308	1,808
EXPENDITURES				
Personnel Services	\$ 1,370,018	\$ 1,370,018 (1)	\$ 1,294,553	\$ 75,465
Materials and Services	77,000	77,000 (1)	62,966	14,034
Contingency	21,482	21,482 (1)	-	21,482
Total Expenditures	1,468,500	1,468,500	1,357,519	110,981
Excess of Revenues Over, (Under) Expenditures	(1,467,000)	(1,467,000)	(1,354,211)	112,789
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(200,000)	(200,000) (1)	(200,000)	-
Transfers In	1,541,000	1,541,000	1,541,000	-
Net Change in Fund Balance	(126,000)	(126,000)	(13,211)	112,789
Beginning Fund Balance	126,000	126,000	156,624	30,624
Ending Fund Balance	\$ -	\$ -	\$ 143,413	\$ 143,413

(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, 2020**

	Balance at June 30, 2019	Additions	Deductions	Balance at June 30, 2020
<b>Municipal Court</b>				
<b>Assets</b>				
Cash	\$ (7,050)	\$ (3,669)	\$ (7,050)	\$ (3,669)
Accounts Receivable	<u>-</u>	<u>20</u>	<u>-</u>	<u>20</u>
Total Assets	<u><u>\$ (7,050)</u></u>	<u><u>\$ (3,649)</u></u>	<u><u>\$ (7,050)</u></u>	<u><u>\$ (3,649)</u></u>
<b>Liabilities</b>				
Accounts Payable	\$ 17,863	\$ 9,762	\$ 17,863	\$ 9,762
Amounts held in trust	<u>(24,913)</u>	<u>(13,411)</u>	<u>(24,913)</u>	<u>(13,411)</u>
Total Liabilities	<u><u>\$ (7,050)</u></u>	<u><u>\$ (3,649)</u></u>	<u><u>\$ (7,050)</u></u>	<u><u>\$ (3,649)</u></u>

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

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



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November 2, 2020

### **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, 2020, and have issued our report thereon dated November 2, 2020. 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.



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

**CITY OF SUTHERLIN**  
**DOUGLAS COUNTY, OREGON**

**GRANT COMPLIANCE REVIEW**

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020**

	Pass Through Organization	CFDA Number	Pass Through Entity Number	Grant Period			Pass Through to Subrecipients
US DEPARTMENT OF AGRICULTURE							
Capitalization Grants for Clean Waters State Revolving Funds	Oregon DEQ	66.458	R89540	open	(1)	2,672,873	-
Capitalization Grants for Drinking Water State Revolving Funds	Oregon DEQ	66.468	R89541	open	(1)	337,466	-
US DEPARTMENT OF TRANSPORTATION							
Recreational Trails Program	Oregon Parks and Recreation Department	20.219	RT18-022	open		<u>23,858</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL EXPENDITURES						<u><u>3,034,197</u></u>	<u><u>-</u></u>

(1) This amount is included in the total loan drawn downs from DEQ (See page 23)



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November 2, 2020

To the Mayor and City Council  
City of Sutherlin, Oregon

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sutherlin as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 2, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A black rectangular redaction box covering a signature. Above the box, the tips of two pens, one blue and one black, are visible.

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



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November 2, 2020

To the Mayor and City Council  
City of Sutherlin, Oregon

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**Report on Compliance for Each Major Federal Program**

We have audited City of Sutherlin's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2020. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

**Opinion on Each Major Federal Program**

In our opinion, City of Sutherlin, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

**CITY OF SUTHERLIN  
DOUGLAS COUNTY, OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*For the Year Ended June 30, 2020*

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(s) identified that are not considered  
to be material weaknesses? ☐ yes ☒ none  
reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported  
in accordance with section 515(d)(2) of the Uniform Guidance? ☐ yes ☒ no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(s) identified that are not considered  
to be material weaknesses? ☐ yes ☒ none  
reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in  
accordance with section 200.516(a) of the Uniform Guidance? ☐ yes ☒ no

**IDENTIFICATION OF MAJOR PROGRAMS**

**CFDA  
NUMBER**

**NAME OF FEDERAL PROGRAM CLUSTER**

66.458 Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B  
programs: \$750,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no



**CITY OF SUTHERLIN  
DOUGLAS COUNTY OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

***For the Year Ended June 30, 2020***

---

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance.

**3. FEDERAL LOAN PROGRAMS**

The federal loan programs listed subsequently are administered directly by the entity and balances and transactions relating to the programs are included in the entity's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule. The balance of loans outstanding as of June 30, 2020 consists of:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance at 6/30/20</u>
66.458	Clean Water State Revolving Funds	\$18,500,000
66.458	Drinking Water State Revolving Funds	\$1,029,020



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November 2, 2020

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, 2020. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, 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
- federal, state and other agency rules and regulations related to expenditures of federal awards

### **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. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

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. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the OMB's Compliance Supplement applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on compliance with those requirements.

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.
3. Federal Awards - We found no issues of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, and tests of the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.
4. Management letter – No separate management letter was issued.

### **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 2020. 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, OPEB's 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 uncorrected misstatements noted during the audit which were discussed with management.

*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.

*Required Supplementary Information*

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

*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.

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.

**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 Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

**GASB 84 – FIDUCIARY ACTIVITIES**

This Statement is effective for fiscal years beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

**GASB 87 – LEASES**

This Statement is effective for fiscal years beginning after December 15, 2019. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**GASB 89 – ACCOUNTING FOR INTEREST COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD**

This Statement is effective for fiscal years beginning after December 15, 2019. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 2009 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

**Best Practices – Not Significant Deficiencies**

1. The City should be constantly reviewing their COVID-19 policies and procedures as well as insurance policies to reduce their potential COVID-19 related legal liabilities.

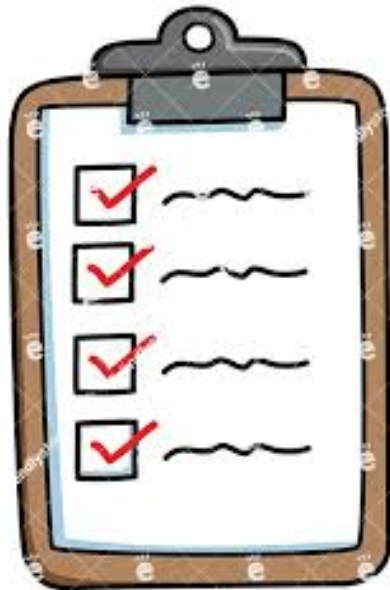
This information is intended solely for the use of the City Council and management of the City of Sutherlin and is not intended to be and should not be used by anyone other than these specified parties.

A large black rectangular redaction box covering the signature area of the document.

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



# **STRATEGIC PLAN UPDATE**





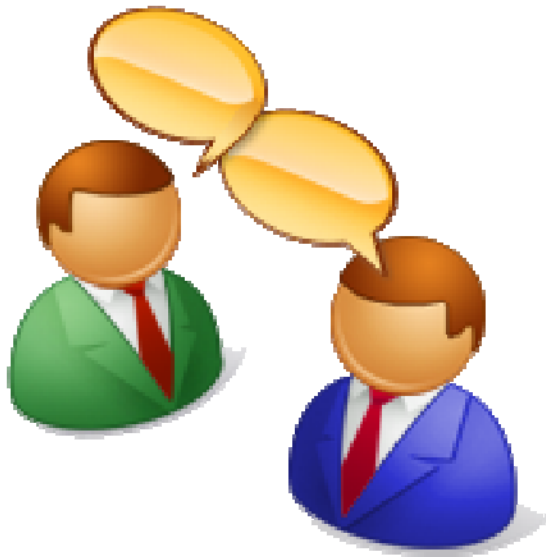
# **CITY MANAGER REPORT (verbal)**







# **COUNCIL COMMENTS**





# **PUBLIC COMMENT**

## ***Off Agenda Items***





# ADJOURNMENT





# **FOR YOUR INFORMATION**



## STRATEGIC PLAN - ACCOUNTABILITY BENCHMARKS

MONTH	DEPT	GOAL	ACTION	✓
<b>APR 2019</b>				
04/08/19	CDD/PW-Facilities/Parks	Continue Central Park improvements to include Christmas holidays lighting display	Funding - Report to Council	✓
04/22/19	CDD/PW-Transportation	Complete Valentine Avenue engineering and begin construction	Bid award - Council approval	✓
04/22/19	Admin	Complete and implement a new City Personnel Policy Handbook	Present update to Council	✓
04/22/19	CDD/PW-Development	Contract with an engineering firm for plan review/subdivision fees	Council Workshop - Proposed fees	✓
<b>MAY 2019</b>				
05/13/19	CDD/PW-Water	Nonpareil WTP Disinfection System Improvements	Bid process and present to Council	✓
05/28/19	CDD/PW-Facilities/Parks	Additional benches at Splash Park inside play area and unfenced section - kid friendly	Report to Council	✓
05/28/19	CDD/PW-Facilities/Parks	Central Park - Additional water features	Present to Council for Approval if needed	✓
05/28/19	CDD/PW-Transportation	Create a Street Management Masterplan w/funding options	Establish a methodology and timeline, report to Council	✓
05/28/19	CDD/PW-Development	Contract with an engineering firm for plan review/subdivision fees	Present findings to Council	✓
<b>JUN 2019</b>				
06/10/19	CDD/PW-Development	Contract with an engineering firm for plan review/subdivision fees	Present fee resolution for Council approval	✓
06/24/19	Admin	Complete union required class & comp survey prior to agreed 2019 COLA increase	Present update to Council (May 28th Executive Session)	✓
06/24/19	CDD/PW-Wastewater	Evaluate the current and potential use of Everett Avenue building	Report to Council (report provided at April 22nd Workshop Mtg)	✓
<b>JUL 2019</b>				
07/22/19	CDD/PW-Development	Comprehensive Plan Code Audit	Report to Council	✓
07/22/19	CDD/PW-Facilities/Parks	Central Park - Additional water features	Report to Council	✓
07/22/19	Finance	Create a long-term budget forecast	Report to Council	✓
07/22/19	CDD/PW-Wastewater	NPDES Permit renewal	Report to Council	✓
<b>AUG 2019</b>				
08/12/19	CDD/PW-Water	Nonpareil WTP modernization improvements	Present to Council (reported at July 22nd Workshop)	✓
08/26/19	CDD/PW-Water	Begin recertification process for Cooper Creek Storage and live-stream permits	Present to Council (reported at July 22nd Workshop)	✓
08/26/19	CDD/PW-Water	Consider new code language allowing for provision of water services outside city limits	Report to Council	✓
08/26/19	Fire	Enhance response capabilities for west side of town	Progress report to Council	✓
<b>SEP 2019</b>				
09/09/19	CDD/PW-Transportation	Complete Valentine Avenue engineering and begin construction	Report to Council	✓
9/23/2019 Mtg Cancelled	Finance & CDD - Development	Examine System Development Charge Rates and develop SDC matrix	Present to Council (moved to 10/14/19 mtg)	✓
9/23/2019 Mtg Cancelled	CDD/PW-Facilities/Parks	Continue Central Park improvements to include Christmas holidays lighting display	Present to Council (moved to 10/14/19 mtg)	✓
9/23/2019 Mtg Cancelled	Fire	ISO (Insurance Service Office) rating (Fire Dept update)	Report results to Council (moved to 10/14/19 mtg)	✓

Note: "Report to Council" can be a written Strategic Plan Update, Presentation or Workshop

Revised 11/30/20

## STRATEGIC PLAN - ACCOUNTABILITY BENCHMARKS

MONTH	DEPT	GOAL	ACTION	
<b>OCT 2019</b>				
10/14/19	CDD-Development	Evaluate all new-development beneficiaries and establish new SDC's according to the analysis	Develop SDC matrix/presented update to Council	✓
10/28/19	CDD/PW-Facilities/Parks	Community Center building - caulk and paint exterior	Report to Council	✓
10/28/19	CDD/PW-Facilities/Parks	Library building - caulk and paint exterior	Report to Council	✓
10/28/19	CDD/PW-Facilities/Parks	Implement a 10-year non-compliant ADA replacement ramp plan	Report to Council	✓
10/28/19	Police	Recruitment and retention	Report to Council	✓
10/28/19	Fire	Create backfill relief position	Present to Council	✓
<b>NOV 2019</b>				
11/12/19	CDD/PW-Transportation	Speed Zone Analysis-Ft McKay to west of intersection of Ft McKay and Church Rd	Report to Council	✓
11/12/19	CDD/PW-Transportation	Speed Zone Analysis-Intersection of Church Rd and Hwy 138 to Ft McKay	Report to Council	✓
11/12/19	CDD/PW-Transportation	Complete sidewalks from Beecroft to Quail Run and Central Avenue	Bid process and present to Council	✓
11/12/19	Police	Integration of K9 program	Report to Council - Discussed at Oct 28th mtg	✓
<b>DEC 2019</b>				
12/09/19	Finance	Earn a "clean audit"	Accept audited financials and present to Council	✓
12/09/19	CDD/PW-Transportation	Replace all old street signs so they match the new street sign design	Report to Council	✓
12/09/19	CDD/PW-Wastewater	Complete construction of new WTP	Report to Council	✓
12/09/19	CDD-Planning	Consider feasibility of commercial/multi-family Urban Renewal District	Present options to Council	✓
12/09/19	Fire	Grow volunteers & UCC Students	Report to Council	✓
<b>JAN 2020</b>				
01/13/20	CDD/PW-Water	Schoon Mt water storage tank upgrade	Bid process, bonding, funding agency and present to Council	✓
01/13/20	CDD/PW-Water	Sixth Ave and Oak St Pump Station upgrade	Bid process, funding agency approval and present to Council	✓
01/27/20	CDD/PW-Facilities/Parks	Install larger security signage and new, more reliable 24/7 cameras	Report to Council	✓
01/27/20	CDD/PW-Wastewater	Evaluate the current and potential use of Everett Ave building	Report to Council commercial tenant leasing building 9/2/19	✓
01/27/20	CDD/PW-Water	Nonpareil WTP Disinfection System improvement	Report to Council Reported at 11/12/19 mtg	✓
01/27/20	CDD/PW-Transportation	Develop a "plan-of-action" for upgrading Waite St from Central to Southside Rd	Report to Council	✓
<b>FEB 2020</b>				
02/10/20	CDD-Development	Commercial and industrial development recruitment and retention (large and small)	Present updated EDP to Council	✓
02/24/20	CDD/PW-Wastewater	Initiate a new in-flow and infiltration prevention program	Report to Council	✓
<b>MAR 2020</b>				
03/09/20	CDD/PW-Facilities/Parks	Identify and upgrade ADA accessibility around Central Park	Award Contract - Council Approval	✓

Note: "Report to Council" can be a written Strategic Plan Update, Presentation or Workshop

Revised 11/30/20

## STRATEGIC PLAN - ACCOUNTABILITY BENCHMARKS

MONTH	DEPT	GOAL	ACTION	
<b>APR 2020</b>				
04/13/20	CDD/PW-Development	Wastewater extension/reimbursement district	Present to Council to award (Presented at February 24th mtg)	✓
<b>MAY 2020</b>				
05/11/20	CDD-Development	Evaluate new development beneficiaries regarding System Development Charges and establish new SDC's	Develop SDC matrix/present to Council	✓
05/11/20	Admin	Begin CBA agreements - AFSCME	Present to Council	✓
<b>JUN 2020</b>				
06/08/20	Finance	Examine System Development Charges(SDC) Rates	Develop new SDC matrix and present to Council	✓
06/08/20	CDD/PW-Transportation	Transportation System Plan (TSP) update	Report to Council	✓
06/08/20	CDD/PW-Facilities/Parks	Community Center & Library building - caulk and paint exterior	Provided update to Council	✓
06/08/20	CDD-Development	Wastewater extension/reimbursement district	Report to Council	✓
<b>JUL 2020</b>				
07/13/20	Finance	Long term budget forecast	Report to Council	✓
07/13/20	CDD/PW-	Ford's Pond recreational improvements	Council approval to award contract	✓
07/13/20	CDD/PW-Transportation	Nicholas Ct to St Johns St Crosswalk	Report to Council - Unable to move forward per ODOT	✓
<b>AUG 2020</b>				
08/10/20	CDD/PW-Water	Nonpareil Water Treatment Plant modernization improvements	Report to Council	✓
08/10/20	CDD/PW-Wastewater	Complete construction of new Wastewater Treatment Plant	Report to Council	✓
<b>SEP 2020</b>				
09/14/20	CDD/PW-Facilities/Parks	Implement 10-year non-compliant ADA replacement ramp plan	Report to Council	✓
<b>OCT 2020</b>				
<b>NOV 2020</b>				
11/09/20	CDD/PW-Facilities/Parks	Improve drainage in Central Park (phase III)	Report to Council (Update provided during 8/10 mtg discussion)	✓
11/09/20	CDD/PW-Transportation	Complete sidewalks from Silver Glen to Quail Run	Report to Council	✓
11/09/20	CDD/PW-Facilities/Parks	Continue Central Park Christmas lighting display improvements	Report to Council	✓
<b>DEC 2020</b>				
12/14/20	Finance	Accept Audited Financials	Present to Council	✓
12/14/20	CDD/PW-Facilities/Parks	Central Plaza Park - Donated lot development	Report to Council (Update provided at previous mtg during Council Comments)	✓

## STRATEGIC PLAN - ACCOUNTABILITY BENCHMARKS

MONTH	DEPT	GOAL	ACTION	
<b>JAN 2021</b>				
01/11/21	CDD/PW-Transportation	Develop "Plan-of-Action" for upgrading Waite St from Central to Southside Rd	Report to Council	
01/11/21	CDD/PW-Water	Schoon Mtn Water Storage Tank and Sixth & Oak Pump Station improvements	Report to Council	
01/11/21	CDD/PW-Water	Consider new code language allowing for provision of water services outside city limits	Report to Council	
01/11/21	CDD/PW-Water	Schoon Mountain Pump Station Improvements (pump replacement)	Present Bid Award with Funding approval to Council	
<b>FEB 2021</b>				
02/08/21	Finance	WWTP Reporting Compliance & ARRA Reporting	Final Report to present to Council	
02/08/21	CDD/PW-Facilities/Parks	Central Park - Additional water features	Present to Council for approval	
02/08/21	CDD/PW-Transportation	Complete sidewalks from Silver Glen to Quail Run and Central Avenue	Report to Council	
02/08/21	CDD - Planning	Evaluate Industrial Lands - County and City	Establish a methodology and timeline, report to Council	
02/08/21	CDD/PW-Water	Consider new code language allowing for provision of water services outside city limits	Bring ordinance to Council for approval of first reading	
<b>MAR 2021</b>				
03/08/21	CDD/PW-Facilities/Parks	Ford's Pond recreational improvements	Report to Council	
03/08/21	CDD/PW-Water	Nonpareil Water Treatment Plant modernization improvements	Bid process, funding approval and present to Council	
<b>APR 2021</b>				
04/12/21	Police	Facility Security	Report to Council	
<b>MAY 2021</b>				
05/10/21	Admin	Begin CBA agreements - SPOA	Present to Council	
05/10/21	CDD/PW-Facilities/Parks	Central Park - Additional water features	Report to Council	
05/10/21	CDD/PW-Transportation & Finance	Create a Street Management Masterplan w/funding options	Establish a methodology and timeline, report to Council	
<b>JUN 2021</b>				
06/14/21	CDD/PW-Facilities/Parks	Community Center Building - caulk and paint exterior	Report to Council	
06/14/21	CDD/PW-Water	Schoon Mt Pump Station (pump replacement)	Report to Council	
06/14/21	CDD/PW-Wastewater	Initiate a new in-flow and infiltration prevention program	Report to Council	
<b>JUL 2021</b>				
7/12/2021	Admin	Personnel Policy Review by CIS	Report to Council	
<b>AUG 2021</b>				
08/09/21	CDD/PW-Facilities/Parks	Inventory/inspect all city structural facilities/develop maint funding plan	Report to Council	
<b>SEP 2021</b>				
09/13/21	CDD/PW-Transportation	Implement 10-year non-compliant ADA replacement ramp plan	Report to Council	
<b>OCT 2021</b>				
10/11/21	CDD/PW-Facilities/Parks	Identify/upgrade ADA accessability and sidewalk around Central Park	Report to Council	
10/11/21	CDD/PW-Wastewater	New Wastewater Treatment Plan one-year performance evaluation	Report to Council	

Note: "Report to Council" can be a written Strategic Plan Update, Presentation or Workshop

Revised 11/30/20



**PUBLIC NOTICE – CITY OF SUTHERLIN CITY COUNCIL MEETING**

The December 14, 2020, City Council Meeting, will be held at 7:00pm in Civic Auditorium at 175 E Everett. This meeting will be a teleconference style meeting with City Council and staff facilitating. The City has taken steps to utilize current technology to make meetings available to the public without increasing the risk of exposure. To maintain compliance with both state rulings, physical distancing, and Oregon public meeting laws, a limited number of staff and city officials will be present. We encourage and welcome citizens that are able to use the video link or phone number provided, to join the meeting from your home.

City of Sutherlin is inviting you to a scheduled Zoom meeting.

Topic: Sutherlin City Council Meeting

Time: Dec 14, 2020 07:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/96774111224?pwd=T0xydXZFeVNzR2pTd1kzMitFUTNjUT09>

Meeting ID: 967 7411 1224

Passcode: 151442

One tap mobile

+13462487799,,96774111224#,,,,,0#,,151442# US (Houston)

+16699009128,,96774111224#,,,,,0#,,151442# US (San Jose)

Dial by your location

+1 669 900 9128 US (San Jose)

Meeting ID: 967 7411 1224

Passcode: 151442

Find your local number: <https://zoom.us/u/aB8T8G8NI>

## Melanie Masterfield

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**From:** Melanie Masterfield  
**Sent:** Tuesday, December 8, 2020 11:01 AM  
**To:** Ashley (ashley@bciradio.com); DC Commisioners (commissioners@co.douglas.or.us); Erica Welch; KUGN (news@kugn.com); Kyle-KQEN (KYLE@BCIRADIO.COM); News Desk (newsdesk@nrtoday.com); Register Guard (rgnews@registerguard.com); Roseburg Beacon (info@roseburgbeacon.com)  
**Subject:** City of Sutherlin Council Meeting Agenda and Zoom link  
**Attachments:** CC AGENDA DEC 14, 2020.pdf; 12.14.20 Zoom Public Mtg Notice with links.docx

Good morning. Attached is the City Council meeting Agenda and zoom link for December 14, 2020



Melanie Masterfield  
Deputy City Recorder  
City of Sutherlin  
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