



City of Sutherlin
Regular Council Meeting
Monday, December 20, 2021
Civic Auditorium – 7:00 p.m.

AGENDA

Mayor Michelle Sumner

Council President Hamilton, Councilors Boggs, Dagel, Groussman, Smalley and Whitaker

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. **ANNOUNCEMENT – Homeless Response**

- a. Wayne Ellsworth
- b. Pat Lynch

6. **PRESENTATION**

- a. Audit Report
- b. Ford's Pond Project – 60% Design

7. **CONSENT AGENDA**

- a. November 8, 2021 Minutes

8. **COUNCIL BUSINESS**

- a. Ordinance No. 1087 – Clark Property Management LLC – Plan Amendments and Zone Change (second reading & adoption)
- b. Budget Committee Appointment
- c. Central Park Multi-Use Staging Area (discussion & direction)

9. **STRATEGIC PLAN UPDATE**

- a. Replacement of Old Street Sign Project
- b. Police Dept. Recruitment and Retention, New Technology, & Facility Security Update
- c. Fire Equipment Funding Update
- d. Remodel of City Hall Emergency Operations Center Update

10. **CITY MANAGER REPORT**

- a. Pacific Northwest Clean Water Association Award

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**

EXECUTIVE SESSION

- **ORS 192.660 (2) (i) – Performance Evaluation of Public Officers and Employees**

Zoom Meeting Link

<https://us06web.zoom.us/j/83142303501?pwd=a0x6NlN4K1dNclhuYzIBakdFdUgyQT09>

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



Call to Order & Flag Salute





ROLL CALL





Introduction Of Media





PUBLIC COMMENT

Agenda Items only





ANNOUNCEMENTS

(Verbal)





Presentations and/or Proclamations





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City of Sutherlin

STAFF REPORT					
Re: 2021 Audit				Meeting Date:	12/20/21
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: Tami Trowbridge, Finance Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: 2021 Communication to the Governing Body, 2021 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 2021 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, 2021 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 – One instance where expenditures exceeded appropriations as described on page 15 of the financial statements and commented on in Management's Discussion & Analysis page m.
- 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 items.
- 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 and Safe Drinking Water Fund for Water Treatment Plant at NonP, a special audit on grant compliance was necessary this year. Pages 71-77 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 2021. (P. 74)

Subsequent Actions Taken by Staff Pertaining to the 2021 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.

OPTIONS

N/A

SUGGESTED MOTION(S)

N/A



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November 10, 2021

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, 2021. 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 – There was one instance where expenditures exceeded appropriations as described on page 15 of the financial statements.
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.

Pauly, Rogers and Co., P.C.
November 10, 2021

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 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.

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



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

PAULY, ROGERS AND CO., P.C., Certified Public Accountants

The Leaders in Oregon Municipal Auditing

Fiscal Year 2020-2021 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 72-75 of the Financial Report for these opinions.

State Minimum Standards Opinion

- ▶ We noted **one** exception requiring comment, expenditures exceeded appropriations in the City Manager’s Office department in the general fund by \$618.
- ▶ 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.

- ▶ Kenny@rascpas.com, 503-620-2632

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.
Tigard, OR 97223

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

FINANCIAL REPORT

**WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

Mayor & City Council

June 30, 2021

<u>Name</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Seth Vincent	Mayor	December 31, 2022
Debbie Hamilton	City Councilor	December 31, 2022
Larry Whitaker	City Councilor	December 31, 2024
Michelle Sumner	City Councilor	December 31, 2022
Tom Boggs	City Councilor	December 31, 2022
Joe Groussman	City Councilor	December 31, 2024

All council members will receive mail at the following address:

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

ADMINISTRATION

Jerry Gillham, City Manager
Tami Trowbridge, Finance Director

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

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CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

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November 10, 2021

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, 2021, 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, 2021 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.

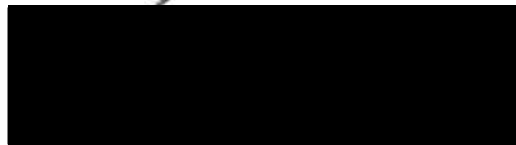
Other Information

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 10, 2021 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 10, 2021 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
Management's Discussion and Analysis
For the Year Ended June 30, 2021

The management of the City of Sutherlin, Oregon presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the City for the fiscal year ended June 30, 2021. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

Financial Highlights

- The City's total assets increased \$4,020,193 from \$64,299,390 to \$68,319,583, or 6.3%. Capital assets, net of depreciation and related debt increased \$347,921, or 0.6%. Additionally, cash and investments increased by \$1,040,068 from \$8,841,853 to \$9,882,921, or 11.8%.
- The City's total liabilities increased \$2,782,617 from \$35,436,890 to \$38,219,507, or 7.9%. This is due to an increase in long term debt of \$3,591,215.
- The total net position of the City (assets minus liabilities) increased \$2,014,606 from \$30,061,903 to \$32,076,509, or 6.7%. Unrestricted net position ended the year at \$2,911,066, an increase of \$815,518, or (39.0%).
- The City's governmental funds reported combined ending balances of \$5,829,018, an increase of \$1,180,544, or (25.4%). Of this amount \$3,711,887 is unassigned and available for spending at the government's discretion. This is an increase of \$1,324,381, or (55.5%), from last year.
- The General Fund's unassigned ending fund balance is \$3,711,887. This represents 63.6% of total General Fund expenditures for the year. Last year was at 42.6%.

Overview of the Financial Statements

The City's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period. Examples of such items include earned (assessed/levied), but uncollected property taxes, and earned, but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include the following:

- General Government
- Public Safety
- Highways and Streets
- Culture and Recreation
- Tourism

The Business-type activities of the City include the following:

- Wastewater
- Water

The government-wide financial statements can be found on pages 2 through 3A in the basic financial statements section.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources,

as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages four through seven in the basic financial statements.

The City maintains 14 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report two major funds: General and Street Construction. Data for the other 12 governmental funds are aggregated into a single column in the fund financials.

Summary fund data by fund-type for these non-major governmental funds is provided in the form of combining statements on pages 44 through 45a. Individual fund data for each of these non-major governmental funds is provided as supplementary information in the form of schedules of revenues, expenditures and changes in fund balance on pages 46 through 57.

In order to provide prudent and responsible control over city expenditures and revenues, the City adopts an annual budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the other major funds as required supplementary information on pages 38 and 39. Budgetary comparisons for all other governmental funds have been provided as other supplementary information on pages 46 through 57.

The governmental fund financial statements can be found on pages 4 through 7 in the basic financial statements.

Proprietary funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City maintains two types of proprietary funds; namely, enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility and wastewater utility operations. The enterprise funds are reported separately in the proprietary fund financial statements in the basic financial statements and can be found on pages 8 through 10a.

Internal service funds act like a rental agency of personnel, equipment and materials to support the activities of other funds. Internal service funds are supported by direct charges to other funds and do not accrue a cash balance. The City uses an internal service fund to support the city building/facilities, streets/drainage, water, and wastewater activities. The internal service fund is reported separately in the proprietary fund financial statements in the basic financial statements and can be found on pages 8 through 10a.

In order to provide prudent and responsible control over City expenditures and revenues, the City adopts an annual budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise and internal service funds as other supplementary information on pages 40 through 43 and 61 through 66.

Fiduciary funds. Fiduciary funds of the City are agency funds which hold assets on behalf of others. The City maintains one agency fund: Municipal Court.

Since the fund is held in trust for other parties the City does not budget these funds. The funds are however audited and corresponding information on their activities can be found on pages 11 and 67.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them. The notes can be found on pages 12 through 36.

Other supplementary information. The combining statements and schedules referred to earlier follow the notes in this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$32,076,509 at the close of the most recent fiscal year.

The largest portion of the City's net position, 77.1% reflects its investment in capital assets (e.g., land and right of way, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

City of Sutherlin's Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2020	2021	2020	2021	2020	2021
Assets						
Current Assets	4,166,463	5,524,482	6,965,249	7,380,275	11,131,712	12,904,757
Noncurrent Assets	10,523,917	11,222,424	42,643,761	44,192,402	53,167,678	55,414,826
Total Assets	14,690,380	16,746,906	49,609,010	51,572,677	64,299,390	68,319,583
Deferred Outflows of Resources	1,624,031	2,345,789	-	-	1,624,031	2,345,789
Liabilities						
Current Liabilities	601,546	858,149	2,316,374	1,251,179	2,917,920	2,109,328
Other Liabilities	4,887,795	6,495,262	27,631,175	29,614,917	32,518,970	36,110,179
Total Liabilities	5,489,341	7,353,411	29,947,549	30,866,096	35,436,890	38,219,507
Deferred Inflows of Resources	424,628	369,356	-	-	424,628	369,356
Net Position						
Invested in Capital Assets,						
Net of Related Debt	9,758,917	10,457,424	14,622,901	14,203,318	24,381,818	24,660,742
Restricted	683,680	737,368	2,900,857	3,767,333	3,584,537	4,504,701
Unrestricted	(42,155)	175,136	2,137,703	2,735,930	2,095,548	2,911,066
Total Net Position	10,400,442	11,369,928	19,661,461	20,706,581	30,061,903	32,076,509

An additional portion of the City's assets, 14.1% represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position \$2,911,066 may be used to meet the government's ongoing obligations to citizens and creditors.

The City's current asset position increased by \$1,773,045 and the total noncurrent assets increased by \$2,247,148. The increase in Noncurrent Assets is largely due to the addition of capital assets in the Water and Wastewater section using loan proceeds, and Parks using Grant Resources.

Deferred Outflows of resources, pension and post-retirement related benefits, decreased by \$721,758. Deferred Inflows of Resources, pension and post-retirement related benefits, increased by \$55,272. For additional information regarding these line items, see notes 6 and 11 in the Notes to Basic Financial Statements.

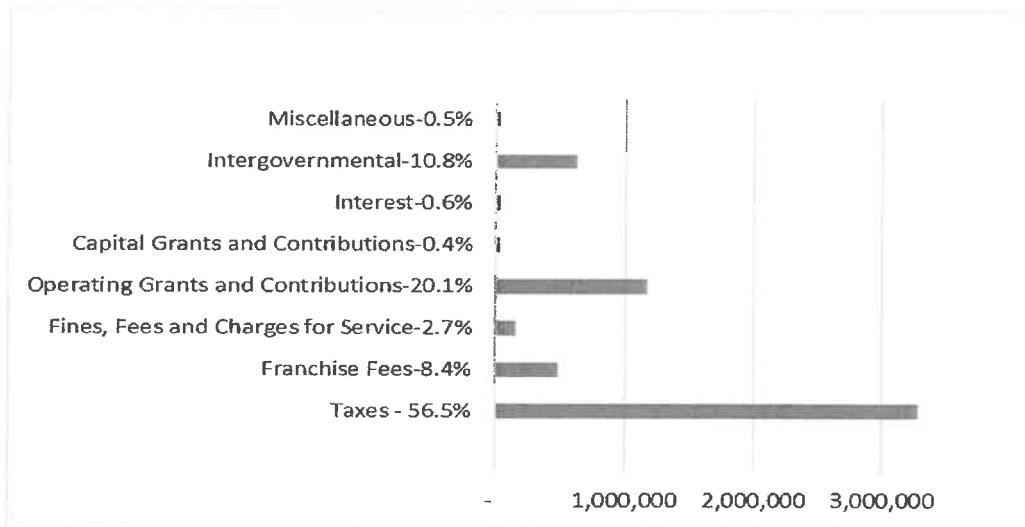
City of Sutherlin's Change in Net Position						
	Governmental Activities		Business-Type Activities		Totals	
Revenue:	2020	2021	2020	2021	2020	2021
Program						
Fines, Fees & Charges for Services	518,940	600,661	5,067,275	5,381,306	5,586,215	5,981,967
Operating Grants & Contributions	76,754	1,478,846	-	-	76,754	1,478,846
Capital Grants & Contributions	87,392	-	-	-	87,392	-
General						
Property Taxes	3,165,998	3,291,287	-	-	3,165,998	3,291,287
Franchise Fees	449,501	491,896	-	-	449,501	491,896
Intergovernmental	784,030	999,594	-	-	784,030	999,594
Interest	99,934	32,755	77,915	35,880	177,849	68,635
Miscellaneous	370,273	429,885	9,640	58,920	379,913	488,805
Capital Contributions	(421,158)	25,720	421,158	(25,720)	-	-
Gain (loss) on Disposal	-	-	-	-	-	-
Total Revenues:	5,131,664	7,350,644	5,575,988	5,450,386	10,707,652	12,801,030
Expenses:						
General Government	2,019,584	2,420,510	-	-	2,019,584	2,420,510
Public Safety	3,625,536	4,239,314	-	-	3,625,536	4,239,314
Highway & Streets	461,945	277,055	-	-	461,945	277,055
Culture & Recreation	499,050	360,922	-	-	499,050	360,922
Tourism	110,791	131,085	-	-	110,791	131,085
Interest on Long Term Debt	14,863	25,196	-	-	14,863	25,196
Wastewater	-	-	1,717,134	1,495,125	1,717,134	1,495,125
Water	-	-	1,718,416	1,837,223	1,718,416	1,837,223
Ambulance	-	-	-	-	-	-
Total Expenses	6,731,769	7,454,082	3,435,550	3,332,348	10,167,319	10,786,430
Increase (decrease) in Net Position before Transfers	(1,600,105)	(103,438)	2,140,438	2,118,038	540,333	2,014,600
Transfers	1,155,456	1,072,924	(1,155,456)	(1,072,924)	-	-
Change in Net Position	(444,649)	969,486	984,982	1,045,114	540,333	2,014,600
Net Position July 1, Restated	10,845,091	10,400,442	18,676,479	19,661,467	29,521,570	30,061,909
Prior Period Adjustment	-	-	-	-	-	-
Total Net Position	10,400,442	11,369,928	19,661,461	20,706,581	30,061,903	32,076,509

Expenses above include the indirect expenses as allocated in the Statement of Activities on page 3 and 3A of the basic financial statements.

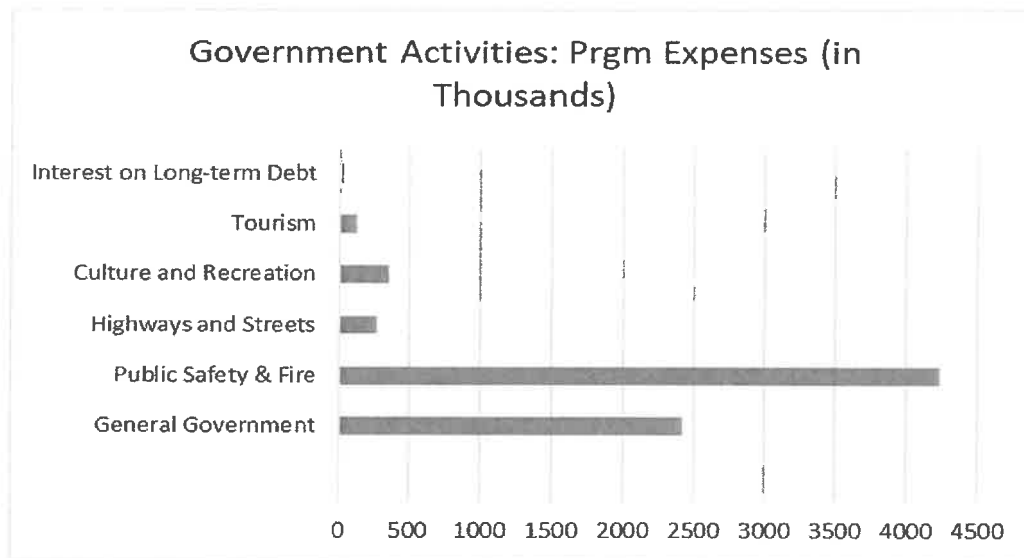
Governmental activities. Governmental-type activities increased the City's total net position by \$969,486. Total depreciation attributed to the governmental activities (primarily street infrastructure) was \$691,014 as detailed on page 20 of the notes to basic financial statements.

The next chart shows the percent of the total for each source of revenue supporting governmental activities.

Government Activities: Revenue by Source



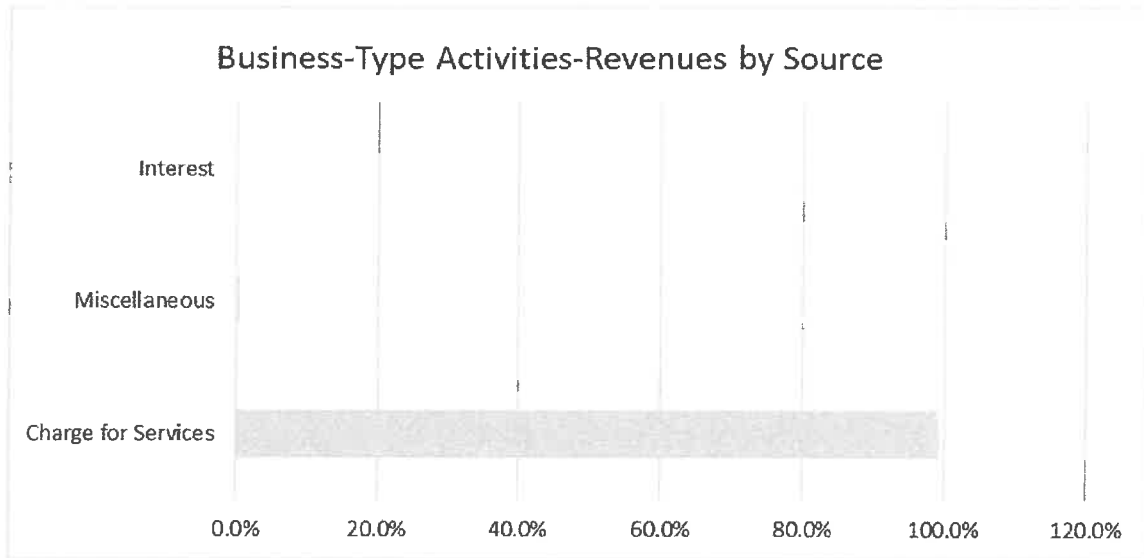
The next chart reflects program expenses for the individual governmental activities for the fiscal year, as a percentage of the General Fund expenses



Business-type activities. Business-type activities increased the City's net position by \$1,045,114. Total depreciation attributed to the business-type funds was \$1.096 million as detailed on pages 20 and 21 of the notes to basic financial statements.

These business-type activities recover more costs through program revenues than governmental activities.

The following chart shows that nearly 100% of revenues for business-type activities, for the year, were generated by charges for services.



Capital assets. The City's investment in capital assets for its governmental and business-type activities amounted to \$55.41 million (net of accumulated depreciation) or an increase of \$2.25 million when compared to last year. This investment in capital assets includes land, right-of-way (included with land), construction in progress, infrastructure (water distribution lines, wastewater collection lines, pump stations, reservoirs, etc.), water rights (development of), buildings and plant (includes the water treatment plants and the wastewater treatment plant), and vehicles and equipment.

City of Sutherlin's Capital Assets, Net Accumulated Depreciation						
	Governmental Activities		Business-Type Activities		Totals	
	2020	2021	2020	2021	2020	2021
Land	1,118,086	1,118,086	3,289,003	3,289,003	4,407,089	4,407,089
Construction in Progress	144,740	689,993	20,604,418	23,218,580	20,749,158	23,908,573
Water Rights	-	-	644,804	645,078	644,804	645,078
Infrastructure	7,124,944	6,992,619	17,290,314	16,325,476	24,415,258	23,318,095
Buildings and Plant	1,793,888	1,416,307	181,057	168,294	1,974,945	1,584,601
Vehicles and Equipment	342,259	1,005,421	634,166	545,971	976,425	1,551,392
Totals:	10,523,917	11,222,426	42,643,762	44,192,402	53,167,679	55,414,828

Major capital asset events during the fiscal year included the following:

- Upgrades to the Wastewater Treatment Plant (Completed at Year-End)
- Ford's Pond Park Design & Construction (In Progress at Year-End)

- Schoon Mt. Water Tank Replacement (In Progress at Year-End)
- 6th & Oak Water Pump Station Upgrade (Completed at Year-End)
- Nonpareil Water Treatment Plant Upgrade (In Progress at Year-End)
- Calapooia Sewer Line Extension
- New Holiday Decorations
- New Public Safety Equipment
- New Public Safety Vehicle
- Various Building Improvement Projects
- Various Sidewalk Improvements

Additional information on the City's capital assets can be found in note three to the basic financial statements (pages 20 and 21).

Long-term obligations. At the end of the fiscal year, the City had total long-term obligations totaling \$30,969,688. Outstanding long-term obligations include: \$5,248,076 to be serviced by water user rates and connection fees, \$24,282,104 to be serviced by wastewater user rates and connection fees (all backed by the full faith and credit of the City), and \$458,904 in notes payable to be serviced by water and wastewater revenues. The remaining \$980,604 in long-term obligations, or 3.2% of the total long-term obligations, is to be paid by existing general government revenue sources.

City of Sutherlin's Long Term Obligations						
	Governmental Activities		Business-Type Activities		Totals	
	2020	2021	2020	2021	2020	2021
General Obligation Bonds	260,000	215,000	-	-	260,000	215,000
Revenue Bonds	-	-	5,328,906	5,123,076	5,328,906	5,123,076
Refunding Bonds	-	-	255,000	185,000	255,000	185,000
Note Payables	505,000	481,627	22,436,947	24,681,008	22,941,947	25,162,635
Capital Leases	-	-	-	-	-	-
Accum Compensated Absences	278,732	283,977	-	-	278,732	283,977
Totals:	1,043,732	980,604	28,020,853	29,989,084	29,064,585	30,969,688

The City's total long-term debt obligation increased by \$1,905,103 over last fiscal year's ending balance. The increase is largely due to receipt of interim loan proceeds from DEQ for the wastewater treatment plan upgrade. Accumulated compensated absences netted an increase of \$5,245.

ORS 223.295 limits the amount of general obligation assessment bonded debt which a city may have outstanding at any one time to three percent (3.00%) of the Real Market Value of the City. The City had only the refunding bonds and the Library GO bond as outstanding bonded debt at June 30, 2021. The City's outstanding obligations subject to bonded debt limitations was \$400,000 or 1.6% of debt capacity.

City of Sutherlin's Remaining Debt Capacity		
Real Market Value (Fiscal Year 2020-21 Douglas County)	\$	828,924,588
Debt Capacity (3% of RMV)	\$	24,867,738
Outstanding Obligations	\$	400,000
Remaining Debt Capacity	\$	24,467,738

Additional information on the City's long-term obligations can be found in note 5 to the basic financial statements (see pages 21 through 23).

Fund-based Financial Analysis

As previously discussed, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balances of 5,829,018, an increase of \$1,180,544 in comparison with the prior year. Approximately 64% of this total amount, \$3,711,887, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance has some level of restrictions placed upon them, as follows:

- *Nonspendable fund balance* (amounts that are not in a spendable form or are required to be maintained intact) was \$31,362
- *Restricted fund balance* (amounts constrained to specific purposes by their providers such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation) was \$737,368
- *Committed fund balance* (amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint) was \$232,877

- *Assigned fund balance* (amounts a government *intends* to use for a specific purpose) was \$1,115,524

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,754,508. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 50.4% of total General Fund expenditures.

The fund balance of the Street Construction fund increased by \$59 during the fiscal year 2020-21. There was a deficit from 2019-2020 of \$121,076 which was corrected by a transfer from the State Gas Tax fund, in this fiscal year.

Finally, the fund balance for all other governmental funds decreased by \$89,166.

Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position and its percent to total net position of each proprietary fund are as follows:

• Water	319,013	4.2%
• Wastewater	738,545	9.8%
• Water Construction Fund	0	0.0%
• Wastewater Construction Fund	0	0.0%
• Other Non-Major Funds	537,532	18.9%

Restrictions on net position exist in the first four funds above totaling \$1,452,693 all due to capital projects restrictions in the Water and Wastewater Construction Funds.

Restrictions on net position exist in the Other Non-Major Enterprise Funds totaling \$2,314,640; debt service and bond covenant restrictions make up this entire balance. These restrictions generally limit the use of monies in the funds to related activities.

Total business-type net position increased \$1,042,689 during the fiscal year.

Other factors concerning the finances of proprietary funds can be found in the previous discussion of the City's business-type activities.

General Fund Budgetary Highlights

The difference between the original general fund budget and the final amended budget are highlighted below:

Revenues:

- There were no changes in the budgeted revenues for the fiscal year

Expenditures:

- a. Wastewater Construction Fund
 - i. At the time the budget was prepared the wastewater treatment plant upgrade was scheduled to be largely complete by June 30, 2020. Due to extenuating circumstances, including COVID-19 issues, the project was delayed and will not be complete until late July or early August 2020. This budget was increased by \$1,500,000.
- b. Parks Construction Fund
 - i. Due to delays on both the Ford's Pond Park improvements and the construction of the Downtown City park, including COVID-19 issues, additional monies not expended in fiscal year 2019-20 were transferred to fiscal year 2020-21. This budget was increased by \$322,000.
- c. Parks/Facilities Reserve Fund
 - i. Due to COVID-19 related issues, the remodel of City Hall, for emergency management purposes, was delayed until fiscal year 2020-21. An adjustment to the budget transferred funds not expended in fiscal year 2019-20 to this year of \$100,000.
- d. Fire Reserve Fund
 - i. The delivery of the new fire engine was scheduled to be complete by June 30, 2020. Due to delays at the manufacturer, it was not received until July 2020. An adjustment to the budget of \$444,000 was needed to make those funds available in this year.
- e. State Gas Tax Fund
 - i. When the budget was prepared, one of the installments on the OTIB loan for the Central Ave Improvements loan was inadvertently omitted. An adjustment of \$27,500 was necessary to accommodate this change. There was also a second adjustment made for \$125,000 to correct the prior year deficit in this fund created by the Valentine Street Improvement Project.

There were variations between the final amended budget and the actual year-end amounts in the General Fund; actual expenditures were \$505,742 less than was budgeted. This was due to cost management in all departments. Police was responsible for 51% of this cost savings. The \$618 that the City Manager's actual expense was over the budgeted amount had to do with the change that was made to his compensation package in terms of health insurance. This amount is well below the 5% overage that is allowed. In total, the City's Personnel Costs were \$474,785 below what was budgeted.

Revenues were greater than the budgeted amount by \$1,430,784 or 32.6%. This was due to greater amounts received than anticipated in Property Taxes, Wildfire Conflagration, Franchise Fees and Government Grants.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY 2021-2022 budget:

- Last fiscal year the increase in property taxes collected was 3.7%. The city chose to conservatively increase budgeted tax revenue for the 2021-2022 fiscal year by 2.0%.
- Cost of Living Adjustment (COLA) is calculated to be 3.0% for all sworn police officers, fire department employees, and those who supervise them and 2.5% for all other represented and non-represented employees.
- Water and wastewater rates were budgeted to increase by 1.0%. The actual rate increase, as of August 1, 2021, was 1.4% (the annual CPI adjustment).
- Interest rates on investments will average 1.0% during the fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Tami Trowbridge
Finance Director
City of Sutherlin
126 E. Central Ave.
Sutherlin, OR 97479

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF NET POSITION
June 30, 2021**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS TYPE	TOTAL
ASSETS			
Cash and Investments	\$ 5,071,917	\$ 4,811,004	\$ 9,882,921
Receivables	1,565,967	1,406,943	2,972,910
Prepays	27,438	21,488	48,926
Internal Balances	(1,140,840)	1,140,840	-
Capital Assets not being depreciated	2,043,018	27,152,661	29,195,679
Capital Assets, net of accumulated depreciation	9,179,406	17,039,741	26,219,147
Total Assets	16,746,906	51,572,677	68,319,583
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	36,849	-	36,849
Pension Related Deferrals - Oregon PERS	2,308,940	-	2,308,940
Total Deferred Outflows	2,345,789	-	2,345,789
LIABILITIES			
Accounts Payable	462,718	644,834	1,107,552
Accrued Expenses	14,142	-	14,142
Customer Deposits	-	80,039	80,039
Accrued Interest Payable	-	152,139	152,139
Accrued Compensated Absences	283,977	-	283,977
Noncurrent liabilities:			
Due Within One Year:			
Bonds and Notes Payable	97,312	374,167	471,479
Due In More Than One Year			
OPEB Liability	182,073	-	182,073
Net Pension Liability	5,713,874	-	5,713,874
Bonds and Notes Payable	599,315	29,614,917	30,214,232
Total Liabilities	7,353,411	30,866,096	38,219,507
DEFERRED INFLOWS OF RESOURCES			
OPEB Deferrals - Implicit Subsidy	31,146	-	31,146
Pension Related Deferrals - Oregon PERS	338,210	-	338,210
Total Deferred Inflows	369,356	-	369,356
NET POSITION:			
Net Investment in			
Capital Assets	10,457,424	14,203,318	24,660,742
Restricted for:			
Bond Covenants	-	195,724	195,724
Debt Service	936	2,118,916	2,119,852
Capital Projects	736,432	1,452,693	2,189,125
Unrestricted	175,136	2,735,930	2,911,066
Total Net Position	\$ 11,369,928	\$ 20,706,581	\$ 32,076,509

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, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 2,420,510	\$ 26,182	\$ 1,170,017	\$ -
Public Safety & Fire	4,239,314	416,524	1,151	-
Highways and Streets	277,055	97,061	-	-
Culture and Recreation	360,922	60,894	307,678	-
Tourism	131,085	-	-	-
Interest on Long-term Debt	25,196	-	-	-
Total Governmental Activities	7,454,082	600,661	1,478,846	-
Business-Type Activities				
Wastewater	1,495,125	2,924,833	-	-
Water	1,837,223	2,456,473	-	-
Total Business Activities	3,332,348	5,381,306	-	-
Total Primary Government	\$ 10,786,430	\$ 5,981,967	\$ 1,478,846	\$ -
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
\$ (1,224,311)	\$ -	\$ (1,224,311)
(3,821,639)	-	(3,821,639)
(179,994)	-	(179,994)
7,650	-	7,650
(131,085)	-	(131,085)
(25,196)	-	(25,196)
(5,374,575)	-	(5,374,575)
-	1,429,708	1,429,708
-	619,250	619,250
-	2,048,958	2,048,958
(5,374,575)	2,048,958	(3,325,617)
3,291,287	-	3,291,287
491,896	-	491,896
999,594	-	999,594
429,885	58,920	488,805
32,755	35,880	68,635
25,720	(25,720)	-
1,072,924	(1,072,924)	-
6,344,061	(1,003,844)	5,340,217
969,486	1,045,114	2,014,600
10,400,442	19,661,467	30,061,909
\$ 11,369,928	\$ 20,706,581	\$ 32,076,509

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021**

	GENERAL FUND	STREET CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 3,835,157	\$ 3,814	\$ 1,077,640	\$ 4,916,611
Accounts Receivable	1,342,542	110	223,315	1,565,967
Prepays	-	-	27,438	27,438
Total Assets	<u>\$ 5,177,699</u>	<u>\$ 3,924</u>	<u>\$ 1,328,393</u>	<u>\$ 6,510,016</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 90,738	\$ -	\$ 367,338	\$ 458,076
Accrued Expenses	9,914	-	-	9,914
Total Liabilities	<u>100,652</u>	<u>-</u>	<u>367,338</u>	<u>467,990</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	<u>207,679</u>	<u>-</u>	<u>5,329</u>	<u>213,008</u>
Total Liabilities and Deferred Inflows	<u>308,331</u>	<u>-</u>	<u>372,667</u>	<u>680,998</u>
Fund Balances:				
Nonspendable	-	3,924	27,438	31,362
Restricted	-	-	737,368	737,368
Committed	-	-	232,877	232,877
Assigned	1,114,860	-	664	1,115,524
Unassigned	<u>3,754,508</u>	<u>-</u>	<u>(42,621)</u>	<u>3,711,887</u>
Total Fund Balances	<u>4,869,368</u>	<u>3,924</u>	<u>955,726</u>	<u>5,829,018</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 5,177,699</u>	<u>\$ 3,924</u>	<u>\$ 1,328,393</u>	<u>\$ 6,510,016</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, 2021

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

Fund Balances	\$ 5,829,018
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	11,222,424
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	(696,627)
Accrued Compensated absences	(283,977)
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	(176,370)
Net Pension Liability and related deferred inflows and outflows	(3,743,144)
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	146,436
Internal Balances relate to transactions that have occurred between the Governmental and Business-Type Activities at the Government-Wide level	(1,140,840)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Unearned/Unavailable Revenue	<u>213,008</u>
Total Net Position	<u>\$ 11,369,928</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, 2021**

	GENERAL FUND	STREET CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES				
Property Taxes	\$ 3,278,829	\$ -	\$ 58,000	\$ 3,336,829
Franchise Fees	491,896	-	-	491,896
System Development Charges	-	-	137,270	137,270
Assessments	-	-	199,018	199,018
Grants and Contributions	-	-	308,363	308,363
Licences, Permits and Fees	19,982	-	-	19,982
Fines and Forfeitures	124,165	-	-	124,165
Charges for Services	5,700	-	-	5,700
Intergovernmental	1,794,471	-	675,470	2,469,941
Interest	25,206	-	7,549	32,755
Miscellaneous	108,451	-	135,982	244,433
Total Revenues	5,848,700	-	1,521,652	7,370,352
EXPENDITURES				
Current:				
General Government	1,755,213	-	-	1,755,213
Culture and Recreation	172,356	-	29,247	201,603
Tourism	-	-	116,374	116,374
Highways and Streets	-	-	111,027	111,027
Public Safety and Fire	3,345,867	-	-	3,345,867
Debt Service	-	-	93,569	93,569
Capital Outlay	563,054	-	795,801	1,358,855
Total Expenditures	5,836,490	-	1,146,018	6,982,508
Excess of Revenues Over, (Under) Expenditures	12,210	-	375,634	387,844
OTHER FINANCING SOURCES, (USES)				
Transfers In	1,640,900	125,000	26,400	1,792,300
Transfers Out	(508,400)	-	(491,200)	(999,600)
Total Other Financing Sources, (Uses)	1,132,500	125,000	(464,800)	792,700
Net Change in Fund Balance	1,144,710	125,000	(89,166)	1,180,544
Beginning Fund Balance	3,724,658	(121,076)	1,044,892	4,648,474
Ending Fund Balance	\$ 4,869,368	\$ 3,924	\$ 955,726	\$ 5,829,018

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, 2021**

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	\$ 1,180,544
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	1,389,521
Depreciation Expense	(691,014)
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	(13,020)
Net Pension Liability	(914,729)
Internal service funds are used by management to charge the costs of various function to the individual funds. The net revenue (expense) of the internal service fund is allocated between governmental and business-type activities.	
	598
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	68,373
The (increase)/decrease in the balance of accrued vacation time is a component of income on the Statement of Activities	
	(5,245)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Unearned/Unavailable Revenue	(45,542)
Change in Net Position	\$ 969,486

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, 2021**

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
ASSETS			
Current Assets			
Cash and Investments	\$ 326,188	\$ 555,268	\$ 581,909
Accounts Receivable, net	223,288	254,567	818,088
Prepays	-	-	-
Total Current Assets	549,476	809,835	1,399,997
Noncurrent Assets			
Capital Assets, Net	14,990,137	29,202,265	-
Total Noncurrent Assets	14,990,137	29,202,265	-
Total Assets	<u>\$ 15,539,613</u>	<u>\$ 30,012,100</u>	<u>\$ 1,399,997</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 32,132	\$ 37,443	\$ 574,659
Accrued Expenses	-	-	-
Customer Deposits	80,039	-	-
Accrued Interest Payable	118,292	33,847	-
Long Term Debt, Current Position	242,247	131,920	-
Total Current Liabilities	472,710	203,210	574,659
Long-term Liabilities			
Long Term Debt, Net of Current Position	7,346,676	22,268,241	-
Total Long-term Liabilities	7,346,676	22,268,241	-
Total Liabilities	7,819,386	22,471,451	574,659
NET POSITION			
Invested in Capital Assets, Net of Related Debt	7,401,214	6,802,104	-
Restricted for:			
Bond Covenants	-	-	-
Debt Services	-	-	-
Capital Projects	-	-	825,338
Unrestricted	319,013	738,545	-
Total Net Position	7,720,227	7,540,649	825,338
Total Liabilities and Fund Equity	<u>\$ 15,539,613</u>	<u>\$ 30,012,100</u>	<u>\$ 1,399,997</u>

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

WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND
\$ 627,355	\$ 2,720,284	\$ 4,811,004	\$ 155,306
-	111,000	1,406,943	-
-	21,488	21,488	-
627,355	2,852,772	6,239,435	155,306
-	-	44,192,402	-
-	-	44,192,402	-
\$ 627,355	\$ 2,852,772	\$ 50,431,837	\$ 155,306
\$	\$ 600	\$ 644,834	\$ 4,642
-	-	-	4,228
-	-	80,039	-
-	-	152,139	-
-	-	374,167	-
-	600	1,251,179	8,870
-	-	29,614,917	-
-	-	29,614,917	-
-	600	30,866,096	8,870
-	-	14,203,318	-
-	195,724	195,724	-
-	2,118,916	2,118,916	-
627,355	-	1,452,693	-
-	537,532	1,595,090	146,436
627,355	2,852,172	19,565,741	146,436
\$ 627,355	\$ 2,852,772	\$ 50,431,837	\$ 155,306
Net Position Above			19,565,741
Internal Service Activities related to Business Type:			1,140,840
Total Net Position Business Type Activities			20,706,581

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021**

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
OPERATING REVENUES			
Charges for Services	\$ 2,355,363	\$ 2,866,637	\$ -
Miscellaneous	-	22,425	2,025
Total Operating Revenues	2,355,363	2,889,062	2,025
OPERATING EXPENSES			
Personal Services	-	-	-
Materials and Services	376,420	410,018	-
Depreciation and Amortization	507,776	587,980	-
Total Operating Expenses	884,196	997,998	-
Operating Income -Loss	1,471,167	1,891,064	2,025
NONOPERATING REVENUES, (EXPENSES)			
Interest Income	3,830	5,603	4,970
Debt Proceeds	-	-	-
Interest Expense	(242,323)	(53,004)	-
Miscellaneous	-	-	-
Total Nonoperating Revenues (Expenses)	(238,493)	(47,401)	4,970
Capital Contributions	635,239	239,254	(260,190)
Capital Contributions - System Development Charges	5,681	-	70,200
Transfers In	-	-	250,000
Transfers Out	(1,937,400)	(1,897,300)	-
Change in Net Position	(63,806)	185,617	67,005
Net Position (Deficit), Beginning of Year	7,784,033	7,355,032	758,333
Net Position (Deficit), end of year	\$ 7,720,227	\$ 7,540,649	\$ 825,338

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

WASTEWATER CONSTRUCTION FUND	OTHER NONMAJOR FUNDS	TOTAL	INTERNAL SERVICE FUND
\$ -	\$ 25,229	\$ 5,247,229	\$ -
-	-	24,450	-
-	25,229	5,271,679	-
-	-	-	1,367,121
-	20,013	806,451	47,433
-	-	1,095,756	-
-	20,013	1,902,207	1,414,554
-	5,216	3,369,472	(1,414,554)
5,463	15,551	35,417	577
-	-	-	-
-	-	(295,327)	-
-	34,470	34,470	-
5,463	50,021	(225,440)	577
(16,659)	(623,364)	(25,720)	-
58,196	-	134,077	-
300,000	1,075,000	1,625,000	1,517,000
-	-	(3,834,700)	(100,000)
347,000	506,873	1,042,689	3,023
280,355	2,345,299	18,523,052	143,413
\$ 627,355	\$ 2,852,172	\$ 19,565,741	\$ 146,436

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021**

	WATER FUND	WASTEWATER FUND	WATER CONSTRUCTION FUND
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 2,361,262	\$ 2,879,848	\$ (758,825)
Cash Paid to Suppliers	(402,362)	(414,948)	453,867
Net Cash Provided (Used) by Operating Activities	1,958,900	2,464,900	(304,958)
Cash Flows from Noncapital Financing Activities:			
Miscellaneous	5,681	-	70,200
Interfund Loans	-	-	-
Transfers	(1,937,400)	(1,897,300)	250,000
Net Cash Provided (Used) by Noncapital Financing Activities	(1,931,719)	(1,897,300)	320,200
Cash Flows from Capital and Related Financing Activities:			
Bond Proceeds	-	-	-
Loan Proceeds	-	-	1,669,478
Interfund Loan	-	-	-
Payments on debt	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	1,669,478
Cash Flows from Investing Activities:			
Purchase of Capital Assets	(17,418)	(17,935)	(1,929,668)
Earnings on Investments	3,830	5,603	4,970
Net Increase (Decrease) in Cash and Cash Equivalents	13,593	555,268	(239,978)
Cash and Investments at Beginning of Year	312,595	-	821,887
Cash and Investments at End of Year	\$ 326,188	\$ 555,268	\$ 581,909
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income, (Loss)	\$ 1,471,167	\$ 1,891,064	\$ 2,025
Noncash Items Included in Income:			
Depreciation	507,776	587,980	-
Decrease (Increase) in Accounts Receivable	5,325	(9,214)	(760,850)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(25,942)	(4,930)	453,867
Increase (Decrease) in Customer Deposits	574	-	-
Net Cash Provided (Used) by Operating Activities	\$ 1,958,900	\$ 2,464,900	\$ (304,958)
Noncash Transactions:	635,239	239,254	(260,190)

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
\$ 1,055,449	\$ 67,624	\$ 5,605,358	\$ -
(1,552,730)	(16,913)	(1,933,086)	(1,412,865)
(497,281)	50,711	3,672,272	(1,412,865)
58,196	-	134,077	-
-	-	-	-
300,000	1,075,000	(2,209,700)	1,417,000
358,196	1,075,000	(2,075,623)	1,417,000
-	-	-	-
688,428	-	2,357,906	-
-	-	-	-
-	(623,364)	(623,364)	-
688,428	(623,364)	1,734,542	-
(705,087)	-	(2,670,108)	-
5,463	50,021	69,887	575
(150,281)	552,368	730,970	4,710
777,636	2,167,916	4,080,034	150,596
\$ 627,355	\$ 2,720,284	\$ 4,811,004	\$ 155,306
\$ -	\$ 5,216	\$ 3,369,472	\$ (1,414,554)
-	-	1,095,756	-
1,055,449	2,500	293,210	-
(1,552,730)	42,995	(1,086,740)	1,689
-	-	574	-
\$ (497,281)	\$ 50,711	\$ 3,672,272	\$ (1,412,865)
(16,659)	(623,364)	(25,720)	-

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

STATEMENT OF FIDUCIARY ASSETS
FIDUCIARY FUNDS
June 30, 2021

	<u>Custodial</u>
ASSETS	
Cash and Cash Equivalents	\$ (4,630)
Accounts Receivable	<u>-</u>
Total Assets	<u><u>\$ (4,630)</u></u>
LIABILITIES	
Accounts Payable	\$ 8,690
Amounts held in trust	<u>(13,320)</u>
Total Liabilities	<u><u>\$ (4,630)</u></u>

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

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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. 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, 2021

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, 2021

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.

Custodial – 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, 2021

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 except for the City Manager's Office in the General fund where disbursements exceeded appropriations by \$618.

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, 2021

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, 2021

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, 2021

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, 2021. 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, 2021, the fair value of the position in the LGIP is 100.4% 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, 2021

2. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2021, 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	\$ 9,797,128	\$ 9,797,128	\$ -	\$ -
Total	\$ 9,797,128	\$ 9,797,128	\$ -	\$ -

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 any one 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, 2021, the total bank balance per the bank statements was \$98,373 all of which 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, 2021 are as follows:

Deposits with Financial Institutions:

Petty Cash	\$ 575
Demand Deposits	80,588
Investments	9,797,128
Total Cash and Investments	<u>\$ 9,878,291</u>

Reported In:

Governmental Activities	\$ 5,071,917
Business-Type Activities	4,811,004
Fiduciary Fund	(4,630)
	<u>\$ 9,878,291</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

3. CAPITAL ASSETS

	Balance June 30, 2020	Adjustments	Additions	Deletions	Balance June 30, 2021
Governmental Activities					
Land*	\$ 1,118,086	\$ -	\$ -	\$ -	\$ 1,118,086
Construction in Progress*	144,740	-	545,253	-	689,993
Infrastructure	106,132,128	-	234,939	-	106,367,067
Buildings and Improvements	4,470,058	(268,979)	17,579	-	4,218,658
Vehicles and Equipment	2,680,036	575,276	566,653	-	3,821,965
Total Capital Assets	114,545,048	306,297	1,364,424	-	116,215,769
Accumulated Depreciation:					
Infrastructure	99,007,184	-	367,264	-	99,374,448
Buildings and Improvements	2,676,170	8,200	117,981	-	2,802,351
Vehicles and Equipment	2,337,777	273,000	205,767	-	2,816,544
Total Accumulated Depreciation	104,021,131	281,200	691,012	-	104,993,343
Total Net Capital Assets	\$ 10,523,917				\$ 11,222,426

Changes in Governmental Capital Assets for the year ended June 30, 2021 are as follows:

*Non Depreciable Asset

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

General Government	\$ 219,323
Public Safety	418,084
Highways and Streets	13,874
Culture and Recreation	25,191
Tourism	14,542
Total	\$ 691,014

Changes in Business-Type Capital Assets for the year ended June 30, 2021 are as follows:

	Balances July 1, 2020	Adjustments	Additions	Deletions	Balance June 30, 2021
Capital Assets not being depreciated					
Land	\$ 3,289,003	\$ -	\$ -	\$ -	\$ 3,289,003
Construction in progress	20,604,418	-	2,614,162	-	23,218,580
Water Rights	644,804	-	274	-	645,078
Total capital assets not being depreciated	24,538,225	-	2,614,436	-	27,152,661
Capital assets being depreciated					
Infrastructure and plant	51,973,676	-	42,496	-	52,016,172
Buildings	330,213	(9,225)	-	-	320,988
Vehicles and equipment	1,503,301	(297,073)	13,176	(148,313)	1,071,091
Total capital assets being depreciated	53,807,190	(306,298)	55,672	(148,313)	53,408,251

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

3. CAPITAL ASSETS (CONTINUED)

	Balances July 1, 2020	Adjustments	Additions	Deletions	Balance June 30, 2021
Less accumulated depreciation for:					
Infrastructure and Plant	34,683,362	-	1,007,334	-	35,690,696
Buildings	149,157	(7,585)	11,122	-	152,694
Vehicles and equipment	869,135	(273,000)	77,298	(148,313)	525,120
Total	35,701,653	(280,585)	1,095,754	(148,313)	36,368,510
Total capital assets being depreciated, net	18,105,536			-	17,039,741
Total capital assets, net	\$ 42,643,761			\$ -	\$ 44,192,402

4. RECEIVABLES

The City's receivables at June 30, 2021 are shown below:

Property Taxes	\$ 231,667
Accounts	2,276,971
Utility Accounts	504,722
	<u>\$ 3,013,360</u>

5. DEBT

Transactions for governmental activities for the year ended June 30, 2021 were as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year
General Obligation Bonds (original amount \$800,000, 3-5%)	\$ 260,000	\$ -	\$ 45,000	\$ 215,000	\$ 50,000
Direct Borrowing ODOT Note Payable (original amount \$505,000, 1.61%)	505,000	-	23,373	481,627	47,312
Compensated Absences	278,732	18,386	13,140	283,978	283,978
Total	<u>\$ 1,043,732</u>	<u>\$ 18,386</u>	<u>\$ 81,513</u>	<u>\$ 980,605</u>	<u>\$ 381,290</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:

2005 Bonds			Direct Borrowing 2017 ODOT Note	
Year	Principal	Interest	Principal	Interest
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
2025-2026	-	-	50,446	4,430
2026-2031	-	-	237,294	9,653
	<u>\$ 215,000</u>	<u>\$ 27,750</u>	<u>\$ 481,627</u>	<u>\$ 39,704</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

5. DEBT (CONTINUED)

Transactions for business-type activities for the year ended June 30, 2021 were as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year
Revenue Bonds:					
Water Revenue Series 2008 (original amount \$2,360,000, 3.75-5%)	\$ 1,175,000	\$ -	\$ 125,000	\$ 1,050,000	\$ 130,000
2012 Refunding Bonds (original amount \$795,000, 1.85-3.6%)	255,000	-	70,000	185,000	40,000
USDA Revenue Bonds (original \$4,601,000, 2.375%)	4,153,906	-	80,831	4,073,075	82,750
Total Revenue Bonds	5,583,906	-	275,831	5,308,075	252,750
Direct Borrowings:					
DEQ Bond (original \$18,500,000, 1.47%)	18,500,000	-	-	18,500,000	-
OECDL (original amount \$779,697, 3-4.75%)	483,228	-	24,324	458,904	29,497
IFA Loan 2014 (original amount \$2,625,000, 2.67%)	2,087,234	-	89,530	1,997,704	91,920
DEQ Loan 2019 (original amount \$1,717,456, 1.27%)	1,029,020	688,436	-	1,717,456	-
Total Direct Borrowings	22,099,482	688,436	113,854	22,674,064	121,417
Total	\$ 27,683,388	\$ 688,436	\$ 389,685	\$ 27,982,139	\$ 374,167

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 USDA Bonds have a reserve requirement of \$17,949 per year to be transferred into the Water Reserve Fund. The Fund balance in the Water Reserve account is \$341,569, which is enough to cover the reserve requirement \$143,589 for this debt and other reserve requirements of \$177,775. 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. Both the DEQ bond and DEQ loan contain 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.

Revenue Bonds:

2008 Water Revenue Bonds			2012 Refunding Bonds	
Year	Principal	Interest	Principal	Interest
2021-2022	\$ 130,000	\$ 42,974	\$ 40,000	\$ 5,640
2022-2023	140,000	37,774	40,000	4,400
2023-2024	145,000	32,176	35,000	3,150
2024-2025	150,000	26,194	35,000	1,890
2025-2026	155,000	20,006	35,000	630
2026-2031	330,000	20,625	-	-
	<u>\$ 1,050,000</u>	<u>\$ 179,749</u>	<u>\$ 185,000</u>	<u>\$ 15,710</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

5. DEBT (CONTINUED)

Revenue Bond:

Direct Borrowing:

Year	2013 USDA Revenue Bonds		DEQ Bond		DEQ Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2021-2022	\$ 82,750	\$ 96,736	\$ 500,000 *	\$ 752,424	\$ -	\$ 28,307
2022-2023	84,716	94,770	491,405	262,801	48,327	21,659
2023-2024	86,728	92,758	498,656	255,550	48,943	21,043
2024-2025	88,788	90,698	506,013	248,193	49,567	20,419
2025-2026	90,896	88,590	513,478	240,728	50,198	19,788
2026-2031	487,907	409,523	2,683,293	1,087,737	260,746	89,184
2031-2036	548,664	348,766	2,887,166	883,864	277,786	72,144
2036-2041	616,987	280,443	3,106,529	664,501	295,938	53,992
2041-2046	693,818	203,612	3,342,560	428,470	315,277	34,653
2046-2051	780,215	117,215	3,596,526	174,504	335,879	14,051
2051-2053	511,606	24,435	374,374	2,752	34,795	221
	<u>\$ 4,073,075</u>	<u>\$ 1,847,546</u>	<u>\$ 18,500,000</u>	<u>\$ 5,001,524</u>	<u>\$ 1,717,456</u>	<u>\$ 375,461</u>

*Principal of \$500,000 forgiven when 2022 payment becomes due

Direct Borrowings:

Year	2009 OECD Loan (Refinanced 2018)		2014 IFA Loan	
	Principal	Interest	Principal	Interest
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
2025-2026	35,413	16,635	102,138	43,122
2026-2031	171,452	58,043	553,081	173,216
2031-2036	127,707	12,691	630,967	95,331
2036-2041	-	-	328,848	15,312
	<u>\$ 458,904</u>	<u>\$ 169,732</u>	<u>\$ 1,997,704</u>	<u>\$ 525,348</u>

The City entered into a loan agreement with Oregon Infrastructure Finance Authority of the Business Development Department (OBDD) to fund water treatment plant improvements (Nonpareil). The total amount to be received is \$5,473,565 at an interest rate of 1.00%. At June 30, 2021 the City has drawn down \$1,328,220, 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.

The City entered into a loan agreement with Oregon Infrastructure Finance Authority of the Business Development Department (OBDD), to fund water tank storage and pump station improvements (Schoon Mountain). The total amount to be received is \$835,980 at an interest rate of 1.00%. At June 30, 2021 the City has drawn down \$678,724, 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, 2021

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/2020-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, 2021

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, 2021 were \$463,725, excluding amounts to fund employer specific liabilities. In addition approximately \$186,853 in employee contributions were paid or picked up by the City in fiscal 2021. At June 30, 2021, the City reported a net pension liability of \$5,713,874 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. 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 2020, the City's proportion was .023 percent and .026 percent, respectively. Pension expense for the year ended June 30, 2021 was \$914,729.

The rates in effect for the year ended June 30, 2021 were:

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

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 251,480	\$ -
Changes in assumptions	306,646	10,744
Net difference between projected and actual earnings on pension plan investments	671,877	-
Net changes in proportionate share	615,212	35,927
Differences between City contributions and proportionate share of contributions	-	291,539
Subtotal - Amortized Deferrals (below)	1,845,215	338,210
City contributions subsequent to measuring date	463,725	-
Deferred outflow (inflow) of resources	<u>\$ 2,308,940</u>	<u>\$ 338,210</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, 2022.

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>
2022	\$ 346,672
2023	462,213
2024	400,381
2025	280,072
2026	17,666
Thereafter	-
Total	<u>\$ 1,507,004</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 5, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-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, 2021

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, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
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	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2020 PERS CAFR; p. 102)

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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 May 2019 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS CAFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability 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, 2021

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	\$ 8,484,631	\$ 5,713,874	\$ 3,390,466

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, 2020 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, 2021

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 \$186,853 in contributions to member IAP accounts for the year ended June 30, 2021.

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, 2021

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, 2021. 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, 2019, 2020 and 2021 were \$12,775, \$965 and \$469, respectively, which equaled the required contributions each year.

At June 30, 2021, 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, 2021:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,640,900	\$ (508,400)
Street Construction	125,000	-
Other Governmental	26,400	(491,200)
Water	-	(1,937,400)
Wastewater	-	(1,897,300)
Water Construction	250,000	-
Wastewater Construction	300,000	-
Other Business Type	1,075,000	-
Internal Service	1,517,000	(100,000)
Total	<u>\$ 4,934,300</u>	<u>\$ (4,934,300)</u>

Please note that the "Internal Balances" noted on the Statement of Net Position is not an interfund balance, but a representation over time that represents the amount of use the internal service fund allocates to the governmental and business type activities.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

9. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2021 are as follows:

Fund Balances:	General Fund	Street Construction Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$ -	\$ -	\$ 27,438	\$ 27,438
<u>Restricted:</u>				
Street Maintenance	-	3,924	386,426	390,350
System Development Charges	-	-	350,006	350,006
Debt Payments	-	-	936	936
	-	3,924	737,368	741,292
<u>Committed to:</u>				
Tourism	-	-	232,877	232,877
	-	-	232,877	232,877
<u>Assigned to:</u>				
Bicycle Paths	13,478	-	-	13,478
Fire Reserve	416,356	-	-	416,356
Police Reserve	192,193	-	-	192,193
Public Works Operations Reserve	198,404	-	-	198,404
Park Facilities Reserve	294,429	-	-	294,429
Library	-	-	664	664
	1,114,860	-	664	1,115,524
<u>Unassigned:</u>	3,754,508	-	(42,621)	3,711,887
Total Fund Balances	\$ 4,869,368	\$ 3,924	\$ 955,726	\$ 5,829,018

10. TAX ABATEMENTS

As of June 30, 2021, 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, 2021, the City abated property taxes totaling \$138,104 under this program.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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, 2020 and the measurement date was June 30, 2020.

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, 2020 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, 2019. 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, 2021

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

Health Care Cost Trend Medical and vision:

	Year	Pre-65 Trend
	2020	3.75%
	2021	7.00%
	2022	5.50%
	2023-2025	5.00%
	2026-2040	4.75%
	2041-2049	5.00%
	2050-2064	4.75%
	2065-2067	4.50%
	2068-2071	4.25%
	2072+	4.00%
	Dental: -1.25% for 2020, 4.00% per year thereafter	
	Health care cost trend affects both the projected health care costs as well as the projected health care	
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	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.	
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

Total OPEB Liability at June 30, 2020	\$ 146,689
Changes for the year:	
Service cost	15,669
Interest	5,523
Changes in benefit terms	-
Differences between expected and actual experience	29,535
Changes of assumptions or other input	(6,164)
Benefit payments	(9,179)
Balance as of June 30, 2021	<u>\$ 182,073</u>

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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 2.21%, 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 (1.21%) or one percentage point higher (3.21%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 197,071	\$ 182,073	\$ 168,040

	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Increase Healthcare
Total OPEB Liability	\$ 159,168	\$ 182,073	\$ 209,494

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	\$ (12,632)	\$ 26,216
Changes in assumptions or other input	(18,514)	3,596
Benefit Payments	-	7,037
Deferred outflow (inflow) of resources	<u>\$ (31,146)</u>	<u>\$ 36,849</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>
2022	\$ (1,135)
2023	(1,135)
2024	(1,135)
2025	(1,135)
2026	(1,135)
Thereafter	4,341
Total	<u>\$ (1,334)</u>

12. DEFICIT FUND BALANCES

The ending fund balance of the Parks Construction Fund as of June 30, 2021 was negative \$42,621. The deficit was the result of a timing difference between an expenditure and receipt of reimbursement. A transfer has been budgeted in 2021-2022 to eliminate the deficit balance.

CITY OF SUTHERLIN
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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, 2021

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
2021	0.02 %	\$ 5,713,874	\$ 3,300,218	173%	75.8 %
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	91.9
2015	0.02	(385,502)	2,224,914	(17)	103.6
2014	0.02	867,896	2,156,450	39	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
2021	\$ 463,725	\$ 463,725	\$ -	\$ 3,156,424	14.7 %
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, 2021**

	2017-2018	2018-2019	2019-2020	2020-2021
Total Other Post Employment Benefits Liability at beginning of year	\$ 139,232	\$ 145,603	\$ 129,935	\$ 146,689
Changes for the year:				
Service Cost	17,235	16,386	14,081	15,669
Interest	4,377	5,663	5,433	5,523
Changes in Benefit Terms	-	-	-	-
Differences between expected and actual experience	-	(18,647)	-	29,535
Changes in assumptions or other input	(9,403)	(11,409)	4,582	(6,164)
Benefit Payments	(5,838)	(7,661)	(7,342)	(9,179)
Net changes for the year	6,371	(15,668)	16,754	35,384
Total Other Post Employment Benefits Liability at year end	\$ 145,603	\$ 129,935	\$ 146,689	\$ 182,073
Fiduciary Net Position - Beginning	\$ -	\$ -	\$ -	\$ -
Contributions - Employer	5,838	7,661	7,342	9,179
Contributions - Employee	-	-	-	-
Net Investment Income	-	-	-	-
Benefit Payments	(5,838)	(7,661)	(7,342)	(9,179)
Administrative Expense	-	-	-	-
Net changes for the year	-	-	-	-
Fiduciary Net Position - Ending	\$ -	\$ -	\$ -	\$ -
Net Liability for Other Post Employment Benefits - End of Year	\$ 145,603	\$ 129,935	\$ 146,689	\$ 182,073
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%	0%	0%	0%
Covered Payroll	\$ 2,732,858	\$ 2,965,721	\$ 3,176,337	\$ 3,156,424
Net Single Employer Pension Plan as a Percentage of Covered Payroll	5%	4%	5%	6%

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021**

	<u>GENERAL FUND</u>			VARIANCE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes	\$ 3,161,232	\$ 3,161,232	\$ 3,278,829	\$ 117,597
Franchise Fees	470,225	470,225	491,896	21,671
Licences, Permits and Fees	17,000	17,000	19,982	2,982
Fines and Forfeitures	120,000	120,000	124,165	4,165
Charges for Services	10,000	10,000	5,700	(4,300)
Intergovernmental	564,859	564,859	1,787,648	1,222,789
Interest	40,000	40,000	18,350	(21,650)
Miscellaneous	17,500	17,500	107,452	89,952
Total Revenues	<u>4,400,816</u>	<u>4,400,816</u>	<u>5,834,022</u>	<u>1,433,206</u>
EXPENDITURES				
City Manager's Office	147,770	147,770 (1)	148,388	(618)
City Attorney	41,000	41,000 (1)	26,219	14,781
Mayor & Council	5,000	5,000 (1)	874	4,126
Non-Departmental	302,450	302,450 (1)	295,136	7,314
City Recorder/HR	273,079	273,079 (1)	252,861	20,218
Municipal Court	212,430	212,430 (1)	179,620	32,810
Finance	479,954	479,954 (1)	432,376	47,578
Planning	456,111	456,111 (1)	419,739	36,372
Police	2,421,751	2,421,751 (1)	2,161,613	260,138
Parks/Facilities	227,489	227,489 (1)	172,356	55,133
Fire	1,212,144	1,212,144 (1)	1,184,254	27,890
Contingency	200,000	200,000 (1)	-	200,000
Total Expenditures	<u>5,979,178</u>	<u>5,979,178</u>	<u>5,273,436</u>	<u>705,742</u>
Excess of Revenues Over, (Under) Expenditures	(1,578,362)	(1,578,362)	560,586	2,138,948
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(508,400)	(508,400) (1)	(508,400)	-
Transfers In	1,198,300	1,198,300	1,195,900	(2,400)
Net Change in Fund Balance	(888,462)	(888,462)	1,248,086	2,136,548
Beginning Fund Balance	<u>2,360,000</u>	<u>2,360,000</u>	<u>2,506,423</u>	<u>146,423</u>
Ending Fund Balance	<u>\$ 1,471,538</u>	<u>\$ 1,471,538</u>	<u>\$ 3,754,509</u>	<u>\$ 2,282,971</u>
Reconciliation to GAAP Fund Balance:				
Ending Fund Balances				
Bicycle / Footpath Fund			13,478	
Police Reserve			192,193	
Public Works Operations Reserve			198,404	
Fire Reserve Fund			416,356	
Parks Facilities Reserve Fund			294,429	
			<u>\$ 4,869,369</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, 2021**

<u>STREET CONSTRUCTION FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 250	\$ 250	\$ -	\$ (250)
Total Revenues	250	250	-	(250)
EXPENDITURES				
Contingency	80,250	80,250 (1)	-	80,250
Total Expenditures	80,250	80,250	-	80,250
Excess of Revenues Over, (Under) Expenditures	(80,000)	(80,000)	-	80,000
OTHER FINANCING SOURCES, (USES)				
Transfers In	-	-	125,000	125,000
Total Other Financing Sources, (Uses)	-	-	125,000	125,000
Net Change in Fund Balance	(80,000)	(80,000)	125,000	205,000
Beginning Fund Balance	80,000	80,000	(121,076)	(201,076)
Ending Fund Balance	\$ -	\$ -	\$ 3,924	\$ 3,924

(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, 2021**

<u>WATER OPERATIONS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 2,364,597	\$ 2,364,597	\$ 2,349,083	\$ (15,514)
System Development Charges	4,000	4,000	5,681	1,681
Interest	7,000	7,000	3,830	(3,170)
Total Revenues	<u>2,375,597</u>	<u>2,375,597</u>	<u>2,358,594</u>	<u>(17,003)</u>
EXPENDITURES				
Materials and Services	506,250	506,250 (1)	393,838	112,412
Capital Outlay	5,000	5,000 (1)	-	5,000
Contingency	368,947	368,947 (1)	-	368,947
Total Expenditures	<u>880,197</u>	<u>880,197</u>	<u>393,838</u>	<u>368,947</u>
Excess of Revenues Over, (Under) Expenditures	<u>1,495,400</u>	<u>1,495,400</u>	<u>1,964,756</u>	<u>469,356</u>
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(1,937,400)</u>	<u>(1,937,400) (1)</u>	<u>(1,937,400)</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>(1,937,400)</u>	<u>(1,937,400)</u>	<u>(1,937,400)</u>	<u>-</u>
Net Change in Fund Balance	(442,000)	(442,000)	27,356	469,356
Beginning Fund Balance	<u>442,000</u>	<u>442,000</u>	<u>373,071</u>	<u>(68,929)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>400,427</u>	<u>\$ 400,427</u>
Reconciling Items:				
Capital Assets, Net			14,990,137	
Deferred Revenue			36,878	
Accrued Interest			(118,292)	
Long-Term Obligations			<u>(7,588,923)</u>	
Net Position			<u>\$ 7,720,227</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, 2021**

WASTEWATER OPERATIONS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 2,859,859	\$ 2,859,859	\$ 2,865,002	\$ 5,143
Interest	5,000	5,000	5,603	603
Miscellaneous	-	-	22,425	22,425
Total Revenues	2,864,859	2,864,859	2,893,030	28,171
EXPENDITURES				
Materials and Services	593,600	593,600 (1)	427,953	165,647
Contingency	193,959	193,959 (1)	-	193,959
Total Expenditures	787,559	787,559	427,953	359,606
Excess of Revenues over Expenditures	2,077,300	2,077,300	2,465,077	(331,435)
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(2,197,300)	(2,197,300) (1)	(1,897,300)	300,000
Total Other Financing Sources	(2,197,300)	(2,197,300)	(1,897,300)	300,000
Net Change in Fund Balance	(120,000)	(120,000)	567,777	328,171
Beginning Fund Balance	120,000	120,000	166,609	46,609
Ending Fund Balance	\$ -	\$ -	\$ 734,386	\$ 734,386

Reconciling Items:

Capital Assets, Net	29,202,265
Deferred Revenue	38,006
Accrued Interest	(33,847)
Long-Term Obligations	(22,400,161)
Net Position	\$ 7,540,649

(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, 2021**

WATER CONSTRUCTION FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
System Development Charges	\$ 60,000	\$ 60,000	\$ 70,200	\$ 10,200
Intergovernmental	448,000	448,000	2,025	(445,975)
Interest	20,000	20,000	4,970	(15,030)
Total Revenues	<u>528,000</u>	<u>528,000</u>	<u>77,195</u>	<u>(450,805)</u>
EXPENDITURES				
Capital Outlay	3,750,000	3,750,000 (1)	1,929,668	1,820,332
Contingency	407,000	407,000 (1)	-	407,000
Total Expenditures	<u>4,157,000</u>	<u>4,157,000</u>	<u>1,929,668</u>	<u>2,227,332</u>
Excess of Revenues Over, (Under) Expenditures	(3,629,000)	(3,629,000)	(1,852,473)	1,776,527
OTHER FINANCING SOURCES, (USES)				
Debt Proceeds	2,600,000	2,600,000	1,669,478	(930,522)
Transfers In	250,000	250,000	250,000	-
Net Change in Fund Balance	(779,000)	(779,000)	67,005	846,005
Beginning Fund Balance	<u>779,000</u>	<u>779,000</u>	<u>758,333</u>	<u>(20,667)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 825,338</u>	<u>\$ 825,338</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, 2021**

WASTEWATER CONSTRUCTION FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
System Development Charges	\$ 3,500	\$ 3,500	\$ 58,196	\$ 54,696
Interest	<u>2,000</u>	<u>2,000</u>	<u>5,463</u>	<u>3,463</u>
Total Revenues	<u>5,500</u>	<u>5,500</u>	<u>63,659</u>	<u>58,159</u>
EXPENDITURES				
Capital Outlay	250,000	1,750,000 (1)	705,087	1,044,913
Contingency	<u>474,500</u>	<u>474,500 (1)</u>	<u>-</u>	<u>474,500</u>
Total Expenditures	<u>724,500</u>	<u>2,224,500</u>	<u>705,087</u>	<u>1,519,413</u>
Excess of Revenues Over, (Under) Expenditures	(719,000)	(2,219,000)	(641,428)	1,577,572
OTHER FINANCING SOURCES, (USES)	1,642,000			
Loan Proceeds	-	1,500,000	688,428	(811,572)
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balance	1,223,000	(419,000)	347,000	766,000
Beginning Fund Balance	<u>419,000</u>	<u>419,000</u>	<u>280,355</u>	<u>(138,645)</u>
Ending Fund Balance	<u>\$ 1,642,000</u>	<u>\$ -</u>	<u>\$ 627,355</u>	<u>\$ 627,355</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021**

	STATE GAS TAX FUND	STREET SDC FUND	TOURISM MOTEL TAX	LIBRARY BOARD FUND	DIAL A RIDE FUND
ASSETS					
Cash and Equivalents	\$ 366,329	\$ 350,006	\$ 242,413	\$ 664	\$ -
Prepays	27,438	-	-	-	-
Accounts Receivable	123,542	-	29,055	-	-
Total Assets	<u>\$ 517,309</u>	<u>\$ 350,006</u>	<u>\$ 271,468</u>	<u>\$ 664</u>	<u>\$ -</u>
LIABILITIES					
Accounts Payable	\$ 103,445	\$ -	\$ 38,591	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>103,445</u>	<u>-</u>	<u>38,591</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Unspendable	27,438	-	-	-	-
Restricted	386,426	350,006	-	-	-
Committed	-	-	232,877	-	-
Assigned	-	-	-	664	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>413,864</u>	<u>350,006</u>	<u>232,877</u>	<u>664</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 517,309</u>	<u>\$ 350,006</u>	<u>\$ 271,468</u>	<u>\$ 664</u>	<u>\$ -</u>

DEBT SERVICE LIBRARY GO BOND FUND	CAPITAL PROJECTS FUNDS		TOTAL
	PARKS CONSTRUCTION FUND		
\$ 936	\$ 117,292	\$ 1,077,640	
-	-	27,438	
5,329	65,389	223,315	
<u>\$ 6,265</u>	<u>\$ 182,681</u>	<u>\$ 1,328,393</u>	
\$ -	\$ 225,302	\$ 367,338	
-	-	-	
5,329	-	5,329	
<u>5,329</u>	<u>225,302</u>	<u>372,667</u>	
-	-	27,438	
936	-	737,368	
-	-	232,877	
-	-	664	
-	(42,621)	(42,621)	
<u>936</u>	<u>(42,621)</u>	<u>955,726</u>	
<u>\$ 6,265</u>	<u>\$ 182,681</u>	<u>\$ 1,328,393</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, 2021**

	STATE GAS TAX FUND	STREET SDC FUND	TOURISM MOTEL TAX	LIBRARY BOARD FUND	DIAL A RIDE FUND
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
System Development Charges	-	77,061	-	-	-
Assessments	-	-	199,018	-	-
Grants and Contributions	-	-	-	-	685
Intergovernmental	675,470	-	-	-	-
Interest	3,126	2,222	1,534	83	3
Miscellaneous	135,982	-	-	-	-
Total Revenues	<u>\$ 814,578</u>	<u>\$ 79,283</u>	<u>\$ 200,552</u>	<u>\$ 83</u>	<u>\$ 688</u>
EXPENDITURES					
Current					
Culture and Recreation	-	-	-	26,400	2,847
Tourism	-	-	116,374	-	-
Highways and Streets	111,027	-	-	-	-
Capital Outlay	197,971	-	-	-	-
Debt Service	35,569	-	-	-	-
Total Expenditures	<u>344,567</u>	<u>-</u>	<u>116,374</u>	<u>26,400</u>	<u>2,847</u>
Excess of Revenues Over, (Under) Expenditures	470,011	79,283	84,178	(26,317)	(2,159)
OTHER FINANCING SOURCES, (USES)					
Transfers In	-	-	-	26,400	-
Transfers Out	(476,300)	-	(14,900)	-	-
Total Other Financing Sources, (Uses)	<u>(476,300)</u>	<u>-</u>	<u>(14,900)</u>	<u>26,400</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(6,289)	79,283	69,278	83	(2,159)
BEGINNING FUND BALANCES	<u>420,153</u>	<u>270,723</u>	<u>163,599</u>	<u>581</u>	<u>2,159</u>
ENDING FUND BALANCES	<u>\$ 413,864</u>	<u>\$ 350,006</u>	<u>\$ 232,877</u>	<u>\$ 664</u>	<u>\$ -</u>

DEBT SERVICE LIBRARY GO BOND FUND	CAPITAL PROJECTS FUNDS PARKS CONSTRUCTION FUND	TOTAL
\$ 58,000	\$ -	\$ 58,000
-	60,209	137,270
-	-	199,018
-	307,678	308,363
-	-	675,470
2	579	7,549
-	-	135,982
<u>\$ 58,002</u>	<u>\$ 368,466</u>	<u>\$ 1,521,652</u>
-	-	29,247
-	-	116,374
-	-	111,027
-	597,830	795,801
58,000	-	93,569
<u>58,000</u>	<u>597,830</u>	<u>1,146,018</u>
2	(229,364)	375,634
-	-	26,400
-	-	(491,200)
-	-	(464,800)
2	(229,364)	(89,166)
934	186,743	1,044,892
<u>\$ 936</u>	<u>\$ (42,621)</u>	<u>\$ 955,726</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, 2021**

<u>STATE GAS TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 675,470	\$ 75,470
Charges for Service	135,900	135,900	135,982	82
Interest	<u>4,000</u>	<u>4,000</u>	<u>3,126</u>	<u>(874)</u>
Total Revenues	<u>739,900</u>	<u>739,900</u>	<u>814,578</u>	<u>74,678</u>
EXPENDITURES				
Materials and Services	156,700	156,700 (1)	111,027	45,673
Capital Outlay	500,000	472,500 (1)	197,971	274,529
Debt Service	8,200	35,700 (1)	35,569	131
Contingency	<u>21,700</u>	<u>21,700</u> (1)	<u>-</u>	<u>21,700</u>
Total Expenditures	<u>686,600</u>	<u>686,600</u>	<u>344,567</u>	<u>342,033</u>
Excess of Revenues Over, (Under) Expenditures	53,300	53,300	470,011	416,711
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(351,300)</u>	<u>(476,300)</u> (1)	<u>(476,300)</u>	<u>-</u>
Net Change in Fund Balance	(298,000)	(423,000)	(6,289)	416,711
Beginning Fund Balance	<u>298,000</u>	<u>298,000</u>	<u>420,153</u>	<u>122,153</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ (125,000)</u>	<u>\$ 413,864</u>	<u>\$ 538,864</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, 2021**

STREET SDC SPECIAL REVENUE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
System Development Charges	\$ 50,000	\$ 50,000	\$ 77,061	\$ 27,061
Interest	<u>5,000</u>	<u>5,000</u>	<u>2,222</u>	<u>(2,778)</u>
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>79,283</u>	<u>24,283</u>
EXPENDITURES				
Contingency	<u>337,000</u>	<u>337,000</u> (1)	<u>-</u>	<u>337,000</u>
Total Expenditures	<u>337,000</u>	<u>337,000</u>	<u>-</u>	<u>337,000</u>
Net Change in Fund Balance	(282,000)	(282,000)	79,283	361,283
Beginning Fund Balance	<u>282,000</u>	<u>282,000</u>	<u>270,723</u>	<u>(11,277)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,006</u>	<u>\$ 350,006</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, 2021**

<u>TOURISM - MOTEL TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Assessments	\$ 195,000	\$ 195,000	\$ 199,018	\$ 4,018
Tax Revenue				
Interest	<u>2,500</u>	<u>2,500</u>	<u>1,534</u>	<u>(966)</u>
Total Revenues	<u>197,500</u>	<u>197,500</u>	<u>200,552</u>	<u>3,052</u>
EXPENDITURES				
Materials and Services	192,325	192,325 (1)	116,374	75,951
Contingency	<u>166,275</u>	<u>166,275 (1)</u>	<u>-</u>	<u>166,275</u>
Total Expenditures	<u>358,600</u>	<u>358,600</u>	<u>116,374</u>	<u>242,226</u>
Excess of Revenues Over, (Under) Expenditures	(161,100)	(161,100)	84,178	245,278
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(14,900)</u>	<u>(14,900) (1)</u>	<u>(14,900)</u>	<u>-</u>
Net Change in Fund Balance	(176,000)	(176,000)	69,278	245,278
Beginning Fund Balance	<u>176,000</u>	<u>176,000</u>	<u>163,599</u>	<u>(12,401)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,877</u>	<u>\$ 232,877</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, 2021**

	<u>LIBRARY BOARD FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 25	\$ 25	\$ 83	\$ 58
Total Revenues	25	25	83	58
EXPENDITURES				
Materials and Services	26,400	26,400 (1)	26,400	-
Contingency	625	625 (1)	-	625
Total Expenditures	27,025	27,025	26,400	625
Excess of Revenues Over, (Under) Expenditures	(27,000)	(27,000)	(26,317)	683
OTHER FINANCING SOURCES, (USES)				
Transfers In	26,400	26,400	26,400	-
Net Change in Fund Balance	(600)	(600)	83	683
Beginning Fund Balance	600	600	581	(19)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 664</u>	<u>\$ 664</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, 2021**

<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	\$ 20,000	\$ 20,000	\$ 685	\$ (19,315)
Miscellaneous	4,000	4,000	-	(4,000)
Interest	-	-	3	3
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>688</u>	<u>(23,312)</u>
EXPENDITURES				
Materials and Services	24,700	24,700 (1)	2,847	21,853
Contingency	<u>1,900</u>	<u>1,900 (1)</u>	<u>-</u>	<u>1,900</u>
Total Expenditures	<u>26,600</u>	<u>26,600</u>	<u>2,847</u>	<u>23,753</u>
Excess of Revenues Over, (Under) Expenditures	(2,600)	(2,600)	(2,159)	441
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(2,400)</u>	<u>(2,400) (1)</u>	<u>-</u>	<u>2,400</u>
Net Change in Fund Balance	(5,000)	(5,000)	(2,159)	2,841
Beginning Fund Balance	<u>5,000</u>	<u>5,000</u>	<u>2,159</u>	<u>(2,841)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021**

	<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	\$ 58,000	\$ 58,000	\$ 58,000	\$ -
Interest	-	-	2	2
Total Revenues	<u>58,000</u>	<u>58,000</u>	<u>58,002</u>	<u>2</u>
EXPENDITURES				
Debt Service	<u>58,000</u>	<u>58,000</u> (1)	<u>58,000</u>	<u>-</u>
Total Expenditures	<u>58,000</u>	<u>58,000</u>	<u>58,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	2	2
Beginning Fund Balance	<u>1,000</u>	<u>1,000</u>	<u>934</u>	<u>(66)</u>
Ending Fund Balance	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 936</u>	<u>\$ (64)</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, 2021**

<u>PARKS CONSTRUCTION FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
System Development Charges	\$ 15,000	\$ 15,000	\$ 60,209	\$ 45,209
Grants and Contributions	359,086	614,086	307,678	(306,408)
Interest	1,000	1,000	579	(421)
Total Revenues	<u>375,086</u>	<u>630,086</u>	<u>368,466</u>	<u>(261,620)</u>
EXPENDITURES				
Capital Outlay	450,000	772,000 (1)	597,830	174,170
Contingency	55,086	55,086 (1)	-	55,086
Total Expenditures	<u>505,086</u>	<u>827,086</u>	<u>597,830</u>	<u>229,256</u>
Net Change in Fund Balance	(130,000)	(197,000)	(229,364)	(32,364)
Beginning Fund Balance	<u>130,000</u>	<u>197,000</u>	<u>186,743</u>	<u>(10,257)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,621)</u>	<u>\$ (42,621)</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, 2021**

<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	\$ 6,823	\$ 823
Interest	200	200	53	(147)
Total Revenues	<u>6,200</u>	<u>6,200</u>	<u>6,876</u>	<u>676</u>
EXPENDITURES				
Contingency	<u>13,200</u>	<u>13,200</u> (1)	<u>-</u>	<u>13,200</u>
Total Expenditures	<u>13,200</u>	<u>13,200</u>	<u>-</u>	<u>13,200</u>
Net Change in Fund Balance	(7,000)	(7,000)	6,876	13,876
Beginning Fund Balance	<u>7,000</u>	<u>7,000</u>	<u>6,602</u>	<u>(398)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,478</u>	<u>\$ 13,478</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, 2021**

<u>POLICE RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 1,000	\$ 1,000	\$ 1,010	\$ 10
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,010</u>	<u>10</u>
EXPENDITURES				
Capital Outlay	10,500	10,500 (1)	6,352	4,148
Contingency	<u>187,500</u>	<u>187,500 (1)</u>	<u>-</u>	<u>187,500</u>
Total Expenditures	<u>198,000</u>	<u>198,000</u>	<u>6,352</u>	<u>191,648</u>
Excess of Revenues Over, (Under) Expenditures	(197,000)	(197,000)	(5,342)	191,658
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	(97,000)	(97,000)	94,658	191,658
Beginning Fund Balance	<u>97,000</u>	<u>97,000</u>	<u>97,535</u>	<u>535</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,193</u>	<u>\$ 192,193</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, 2021**

	<u>FIRE RESERVE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 888,250	\$ 888,250	\$ -	\$ (888,250)
Interest	<u>5,000</u>	<u>5,000</u>	<u>2,884</u>	<u>(2,116)</u>
Total Revenues	<u>893,250</u>	<u>893,250</u>	<u>2,884</u>	<u>(890,366)</u>
EXPENDITURES				
Capital Outlay	1,059,000	1,503,000 (1)	534,425	968,575
Contingency	<u>339,250</u>	<u>339,250 (1)</u>	<u>-</u>	<u>339,250</u>
Total Expenditures	<u>1,398,250</u>	<u>1,842,250</u>	<u>534,425</u>	<u>1,307,825</u>
Excess of Revenues Over, (Under) Expenditures	(505,000)	(949,000)	(531,541)	417,459
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	(340,000)	(784,000)	(366,541)	417,459
Beginning Fund Balance	<u>340,000</u>	<u>784,000</u>	<u>782,897</u>	<u>(1,103)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,356</u>	<u>\$ 416,356</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, 2021**

PUBLIC WORKS OPERATIONS RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 200	\$ 200	\$ 1,022	\$ 822
Total Revenues	200	200	1,022	822
EXPENDITURES				
Capital Outlay	95,000	95,000 (1)	-	95,000
Contingency	25,200	25,200 (1)	-	25,200
Total Expenditures	120,200	120,200	-	120,200
Excess of Revenues Over, (Under) Expenditures	(120,000)	(120,000)	1,022	121,022
OTHER FINANCING SOURCES, (USES)				
Transfers In	100,000	100,000	100,000	-
Net Change in Fund Balance	(20,000)	(20,000)	101,022	121,022
Beginning Fund Balance	20,000	20,000	97,382	77,382
Ending Fund Balance	\$ -	\$ -	\$ 198,404	\$ 198,404

(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, 2021**

PARKS/FACILITIES RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 2,000	\$ 2,000	\$ 1,887	\$ (113)
Miscellaneous	-	-	1,000	1,000
Total Revenues	2,000	2,000	2,887	887
EXPENDITURES				
Capital Outlay	172,000	272,000 (1)	22,277	249,723
Contingency	51,000	51,000 (1)	-	51,000
Total Expenditures	223,000	323,000	22,277	300,723
Excess of Revenues Over, (Under) Expenditures	(221,000)	(321,000)	(19,390)	301,610
OTHER FINANCING SOURCES, (USES)				
Transfers In	80,000	80,000	80,000	-
Net Change in Fund Balance	(141,000)	(241,000)	60,610	301,610
Beginning Fund Balance	141,000	241,000	233,819	(7,181)
Ending Fund Balance	\$ -	\$ -	\$ 294,429	\$ 294,429

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF NET POSITION -
NONMAJOR ENTERPRISE FUNDS
June 30, 2021**

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
ASSETS			
Cash and Cash Equivalents	\$ 341,569	\$ 127,003	\$ 69,560
Accounts Receivable	-	-	-
Prepays	-	-	-
Total Assets	<u>\$ 341,569</u>	<u>\$ 127,003</u>	<u>\$ 69,560</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>600</u>
NET POSITION			
Restricted for Bond Covenant	-	-	-
Restricted for Debt Service	-	-	-
Unrestricted	<u>341,569</u>	<u>127,003</u>	<u>68,960</u>
Total Net Position	<u>341,569</u>	<u>127,003</u>	<u>68,960</u>
Total Liabilities and Net Position	<u>\$ 341,569</u>	<u>\$ 127,003</u>	<u>\$ 69,560</u>

WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
\$ 383,209	\$ 1,798,943	\$ 2,720,284
-	111,000	111,000
21,488	-	21,488
<u>\$ 404,697</u>	<u>\$ 1,909,943</u>	<u>\$ 2,852,772</u>
\$ -	\$ -	\$ 600
-	-	600
195,724	-	195,724
208,973	1,909,943	2,118,916
-	-	537,532
<u>404,697</u>	<u>1,909,943</u>	<u>2,852,172</u>
<u>\$ 404,697</u>	<u>\$ 1,909,943</u>	<u>\$ 2,852,772</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, 2021**

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
OPERATING REVENUES			
Charges for Services	\$ -	\$ -	\$ 21,217
OPERATING EXPENSES			
Materials and Services	-	13,176	6,837
Operating income (loss)	-	(13,176)	14,380
NONOPERATING REVENUES (EXPENSES)			
Interest	2,514	753	461
Debt Service	-	-	-
Transfers In	-	15,000	-
Miscellaneous	-	34,470	-
Total Nonoperating Revenues (Expenses)	2,514	50,223	461
Change in Net Position	2,514	37,047	14,841
Beginning Net Position	339,055	89,956	54,119
Ending Net Position	\$ 341,569	\$ 127,003	\$ 68,960

WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
<u>\$ -</u>	<u>\$ 4,012</u>	<u>\$ 25,229</u>
<u>-</u>	<u>-</u>	<u>20,013</u>
-	4,012	5,216
2,209	9,614	15,551
(400,760)	(222,604)	(623,364)
460,000	600,000	1,075,000
<u>-</u>	<u>-</u>	<u>34,470</u>
<u>61,449</u>	<u>387,010</u>	<u>501,657</u>
61,449	391,022	506,873
<u>343,248</u>	<u>1,518,921</u>	<u>2,345,299</u>
<u>\$ 404,697</u>	<u>\$ 1,909,943</u>	<u>\$ 2,852,172</u>

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2021**

	WATER RESERVE FUND	WASTEWATER RESERVE FUND	KNOLLS ESTATE STEP SURCHARGE FUND
Cash Flows from Operating Activities:			
Cash from Customers	\$ -	\$ -	\$ 21,217
Cash paid to Suppliers	-	(13,176)	(6,237)
Cash flow from Operations	-	(13,176)	14,980
Cash Flows from Investing Activities:			
Earnings on Investments and Other	2,514	35,223	461
Cash Flows from Noncapital Financing Activities:			
Transfers	-	15,000	-
Cash flow from Noncapital Financing	-	15,000	-
Cash Flows from Capital and Related Financing Activities:			
Payments on long term debt	-	-	-
Cash flow from Capital Financing	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	2,514	37,047	15,441
Cash and Cash Equivalents, Beginning	339,055	89,956	54,119
Cash and Cash Equivalents, Ending	<u>\$ 341,569</u>	<u>\$ 127,003</u>	<u>\$ 69,560</u>
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income, (Loss)	\$ -	\$ (13,176)	\$ 14,380
Noncash Items Included in Income:			
(Increase), Decrease in Assets	-	-	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	-	-	600
Net Cash Provided (Used) by Operating Activities	<u>\$ -</u>	<u>\$ (13,176)</u>	<u>\$ 14,980</u>

WATER DEBT SERVICE FUND	WASTEWATER DEBT SERVICE FUND	TOTAL
\$ -	\$ 46,407	\$ 67,624
2,500	-	(16,913)
2,500	46,407	50,711
2,209	9,614	50,021
460,000	600,000	1,075,000
460,000	600,000	1,075,000
(400,760)	(222,604)	(623,364)
(400,760)	(222,604)	(623,364)
63,949	433,417	552,368
319,260	1,365,526	2,167,916
<u>\$ 383,209</u>	<u>\$ 1,798,943</u>	<u>\$ 2,720,284</u>
\$ -	\$ 4,012	\$ 5,216
2,500	-	2,500
-	42,395	42,995
<u>\$ 2,500</u>	<u>\$ 46,407</u>	<u>\$ 50,711</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, 2021**

WATER RESERVE FUND
A NONMAJOR ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest	\$ 5,000	\$ 5,000	\$ 2,514	\$ (2,486)
Total Revenues	5,000	5,000	2,514	(2,486)
EXPENDITURES				
Contingency	345,000	345,000 (1)	-	345,000
Total Expenditures	345,000	345,000	-	345,000
Excess of Revenues Over, (Under) Expenditures	(340,000)	(340,000)	2,514	342,514
Net Change in Fund Balance	(340,000)	(340,000)	2,514	342,514
Beginning Fund Balance	340,000	340,000	339,055	(945)
Ending Fund Balance	\$ -	\$ -	\$ 341,569	\$ 341,569

(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, 2021**

PUBLIC WORKS WASTEWATER RESERVE FUND
A NONMAJOR ENTERPRISE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 1,250	\$ 1,250	\$ 753	\$ (497)
Total Revenues	<u>1,250</u>	<u>1,250</u>	<u>753</u>	<u>(497)</u>
EXPENDITURES				
Capital Outlay	15,000	15,000 (1)	13,176	1,824
Contingency	<u>91,250</u>	<u>91,250 (1)</u>	<u>-</u>	<u>91,250</u>
Total Expenditures	<u>106,250</u>	<u>106,250</u>	<u>13,176</u>	<u>93,074</u>
Excess of Revenues Over, (Under) Expenditures	(105,000)	(105,000)	(12,423)	92,577
OTHER FINANCING SOURCES, (USES)				
Sale of Assets	-	-	34,470	34,470
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balance	(90,000)	(90,000)	37,047	127,047
Beginning Fund Balance	<u>90,000</u>	<u>90,000</u>	<u>89,956</u>	<u>(44)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,003</u>	<u>\$ 127,003</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, 2021**

KNOLLS ESTATE STEP SURCHARGE FUND
A NONMAJOR ENTERPRISE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 18,000	\$ 18,000	\$ 21,217	\$ 3,217
Interest	500	500	461	(39)
Total Revenues	<u>18,500</u>	<u>18,500</u>	<u>21,678</u>	<u>3,178</u>
EXPENDITURES				
Materials and Services	25,000	25,000 (1)	6,837	18,163
Contingency	<u>46,500</u>	<u>46,500 (1)</u>	<u>-</u>	<u>46,500</u>
Total Expenditures	<u>71,500</u>	<u>71,500</u>	<u>6,837</u>	<u>64,663</u>
Net Change in Fund Balance	(53,000)	(53,000)	14,841	67,841
Beginning Fund Balance	<u>53,000</u>	<u>53,000</u>	<u>54,119</u>	<u>1,119</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,960</u>	<u>\$ 68,960</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, 2021**

	<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	\$ 2,209	\$ (791)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>2,209</u>	<u>(791)</u>
EXPENDITURES				
Debt Service	420,775	420,775 (1)	400,760	20,015
Contingency	<u>34,755</u>	<u>34,755 (1)</u>	<u>-</u>	<u>34,755</u>
Total Expenditures	<u>455,530</u>	<u>455,530</u>	<u>400,760</u>	<u>54,770</u>
Excess of Revenues Over, (Under) Expenditures	(452,530)	(452,530)	(398,551)	53,979
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	7,470	7,470	61,449	53,979
Beginning Fund Balance	<u>345,000</u>	<u>345,000</u>	<u>343,248</u>	<u>(1,752)</u>
Ending Fund Balance	<u>\$ 352,470</u>	<u>\$ 352,470</u>	<u>\$ 404,697</u>	<u>\$ 52,227</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, 2021**

WASTEWATER DEBT SERVICE FUND
A NONMAJOR ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Assessments	\$ 46,500	\$ 46,500	\$ 46,407	\$ (93)
Interest	7,500	7,500	9,614	2,114
Total Revenues	54,000	54,000	56,021	2,021
EXPENDITURES				
Debt Service	1,422,605	1,422,605 (1)	222,604	1,200,001
Contingency	896,395	896,395 (1)	-	896,395
Total Expenditures	2,319,000	2,319,000	222,604	2,096,396
Excess of Revenues Over, (Under) Expenditures	(2,265,000)	(2,265,000)	(166,583)	2,098,417
OTHER FINANCING SOURCES, (USES)				
Transfers In	900,000	900,000	600,000	(300,000)
Net Change in Fund Balance	(1,365,000)	(1,365,000)	433,417	1,798,417
Beginning Fund Balance	1,365,000	1,365,000	1,365,526	526
Ending Fund Balance	\$ -	\$ -	\$ 1,798,943	\$ 1,798,943

Reconciliation to GAAP:

Deferred Revenue \$ 111,000

GAAP Net Position \$ 1,909,943

(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, 2021**

PUBLIC WORKS OPERATIONS FUND - INTERNAL SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Interest	\$ 2,000	\$ 2,000	\$ 577	\$ (1,423)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>577</u>	<u>(1,423)</u>
EXPENDITURES				
Personnel Services	\$ 1,439,159	\$ 1,439,159 (1)	\$ 1,367,121	\$ 72,038
Materials and Services	77,000	77,000 (1)	47,433	29,567
Contingency	<u>21,841</u>	<u>21,841 (1)</u>	<u>-</u>	<u>21,841</u>
Total Expenditures	<u>1,538,000</u>	<u>1,538,000</u>	<u>1,414,554</u>	<u>123,446</u>
Excess of Revenues Over, (Under) Expenditures	(1,536,000)	(1,536,000)	(1,413,977)	122,023
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(100,000)	(100,000) (1)	(100,000)	-
Transfers In	<u>1,517,000</u>	<u>1,517,000</u>	<u>1,517,000</u>	<u>-</u>
Net Change in Fund Balance	(119,000)	(119,000)	3,023	122,023
Beginning Fund Balance	<u>119,000</u>	<u>119,000</u>	<u>143,413</u>	<u>24,413</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,436</u>	<u>\$ 146,436</u>

(1) Appropriation Level

**CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CUSTODIAL
For the Year Ended June 30, 2021**

	Balance at June 30, 2020	Additions	Deductions	Balance at June 30, 2021
Municipal Court				
Assets				
Cash	\$ (3,669)	\$ (4,630)	\$ (3,669)	\$ (4,630)
Accounts Receivable	20	-	20	-
Total Assets	<u>\$ (7,050)</u>	<u>\$ (4,630)</u>	<u>\$ (3,649)</u>	<u>\$ (4,630)</u>
Liabilities				
Accounts Payable	\$ 9,762	\$ 8,690	\$ 9,762	\$ 8,690
Amounts held in trust	<u>(13,411)</u>	<u>(13,320)</u>	<u>(13,411)</u>	<u>(13,320)</u>
Total Liabilities	<u>\$ (7,050)</u>	<u>\$ (4,630)</u>	<u>\$ (3,649)</u>	<u>\$ (4,630)</u>

CITY OF SUTHERLIN
DOUGLAS COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS



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November 10, 2021

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, 2021, and have issued our report thereon dated November 10, 2021. 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).**

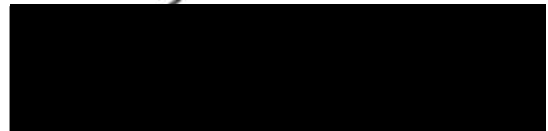
In connection with our testing nothing came to our attention that caused us to believe the City of Sutherlin was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative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

1. Expenditures of the various funds were within authorized appropriations, except as noted on page 15.

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, 2021**

	Pass Through Organization	CFDA Number	Pass Through Entity Number	Grant Period			Pass Through to Subrecipients
US DEPARTMENT OF AGRICULTURE							
Capitalization Grants for Drinking Water State Revolving Funds	Oregon DEQ	66.468	S19006	open	(1)	341,258	-
Capitalization Grants for Drinking Water State Revolving Funds	Oregon DEQ	66.468	S19026	open	(1)	<u>1,328,220</u>	-
Total Capitalization Grants for Drinking Water State Revolving Funds						<u>1,669,478</u>	
US DEPARTMENT OF TRANSPORTATION							
Recreational Trails Program	Oregon Parks and Recreation Department	20.219	RT18-022	open		<u>35,389</u>	-
US DEPARTMENT OF THE TREASURY							
Coronavirus Relief Fund	Oregon Department of Administrative Services	20.219	N/A	open		<u>242,075</u>	-
TOTAL FEDERAL FINANCIAL EXPENDITURES						<u><u>1,946,942</u></u>	-

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



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November 10, 2021

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, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 10, 2021.

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.

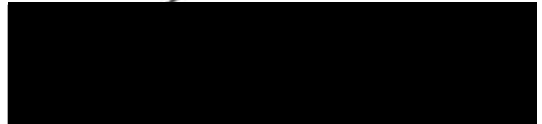
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 the signature of Kenneth Allen, CPA.

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



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November 10, 2021

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, 2021. 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, 2021.

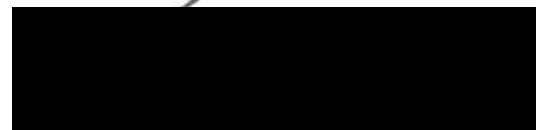
Report on Internal Control Over Compliance

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.

A black rectangular box redacting the signature of Kenneth Allen, CPA.

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, 2021

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

66.468

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, 2021

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, 2021 consists of:

<u>CFDA</u> <u>Number</u>	<u>Program Name</u>	<u>Outstanding</u> <u>Balance at 6/30/21</u>
66.458	Clean Water State Revolving Funds	\$18,500,000
66.458	Clean Water State Revolving Funds	\$1,717,456
66.468	Drinking Water State Revolving Funds	\$1,328,220
66.468	Drinking Water State Revolving Funds	\$678,724



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City of Sutherlin

STAFF REPORT					
Re: Ford's Pond Project 1(Phase 2) and Projects 2A/B (Phase 2) – 60% Design				Meeting Date:	12/20/2021
Purpose:	Action Item <input type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input checked="" type="checkbox"/>
Submitted By: Brian Elliott, Community Development Director and Dougherty Landscape Architects (DLA)				City Manager Review	<input type="checkbox"/>
Attachments: Ford's Pond Open House Presentation 60% design.					

WHAT IS BEING ASKED OF COUNCIL?

This staff report is to provide City Council with an update regarding 60% design for Project 1 (Phase 2) and Projects 2A/B (Phase 2) at Ford's Pond Community Park Improvements.

EXPLANATION

City of Sutherlin entered into a Professional Agreement June 16, 2021, with Dougherty Landscape Architect for Project 1 (Phase 2) and Projects 2A/B (Phase 2). Scope of work consists of; ADA – accessible restrooms, 600' of connectivity sidewalk, inclusive playground (design only) with two (age-appropriate area's); three shaded picnic pavilions with water, electricity and concrete pads for portable grills, site furnishings, landscaping, birding observation area, interpretive panels, security panels, benches and 0.9 miles of an ADA – accessible, 10-foot-wide asphalt path.

OPTIONS

N/A

SUGGESTED MOTION(S)

N/A



Ford's Pond Community Park
Inclusive natural playground, amenities, & path improvements

60% CD's

Meeting Minutes from Previous Meeting:



- Restroom- extend roof line, stone veneer, hose bib, drinking fountain, sharps box & allow for art on front wall.
- Pavilions – free standing with gabled roof.
- Play Area Components
 - Beaver Ford can be designated art.
 - Art pieces will be funded with a separate grant.
 - Log Forest is to be provided and installed by the contractor.
 - Square pin pong table.

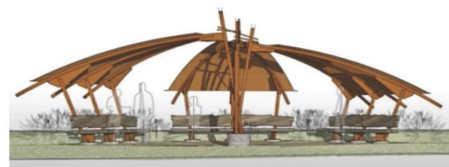


Ford's Pond Community Park

Overall Plan



BIRDING PAVILION*



PAVILIONS (PICNIC)*



RESTROOM*



* THESE ARE POSSIBLE OPTIONS



SITE PLAN LEGEND

- PLANT BED
- LAWN AREA
- EXISTING WETLANDS
- STORMWATER AREA
- GRASSY MEADOW
- ASPHALT PATH
- CONCRETE WALKWAY
- COLORLED CONCRETE
- BARK MULCH
- CONCRETE SEATWALL
- BENCH

Playground Protective Surface Colors

- Royal Blue w/ 40% black
- Sky Blue with 12" Teal Border w/ 30% black
- 25% Brown / 35% eggshell w/ 40% black
- Hunter Green w/ 40% black
- Bright Green w/ 40% black
- Forever Lawn

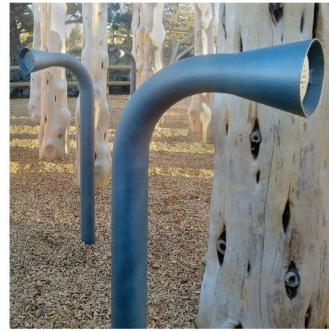


Ford's Pond Community Park

Overall Site Plan



(E) Photos courtesy of Portland Parks & Recreation



(N) Intermixed in Log Forest



(J) (L)



(K) (M)



(G)



(H)

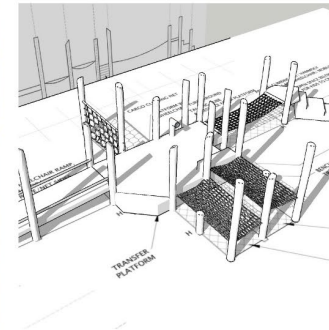


- (A) BOAT
- (B) FISHING PIER
- (C) LOG CLIMBER ON ISLAND
- (D) BEAVER LODGE - 'potential art installation'
- (E) WATER PUMP WITH ACCESSIBLE SPLASH BOULDER
- (F) PING-PONG TABLE
- (G) SWING
- (H) CAROUSEL
- (J) 4 FT HIGH EMBANKMENT SLIDE
- (K) 3 FT HIGH BOULDER SCRAMBLE
- (L) 6 FT HIGH EMBANKMENT SLIDE
- (M) 5 FT HIGH BOULDER SCRAMBLE
- (N) LOG FOREST

- ① PLAY DRUMS: KUNDU, KETTLE, GOBLET
- ② CHIMES: GRANDIOSO
- ③ METALLOPHONE: ANIMATO
- ④ METALLOPHONE: VIVO



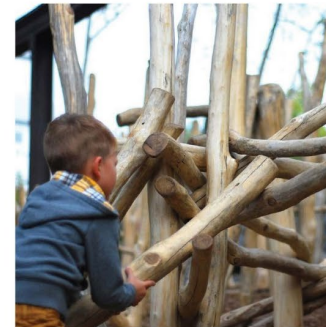
(F)



(B)



(A)



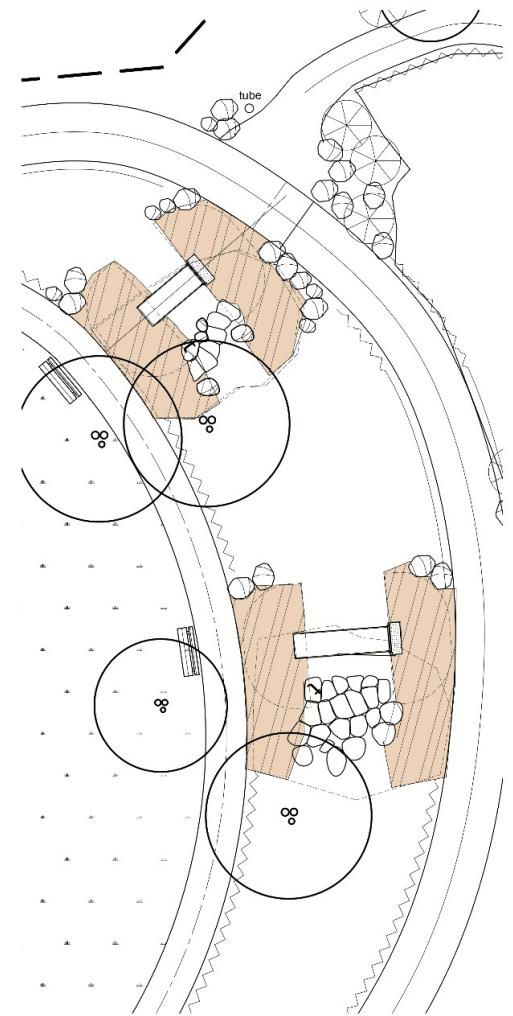
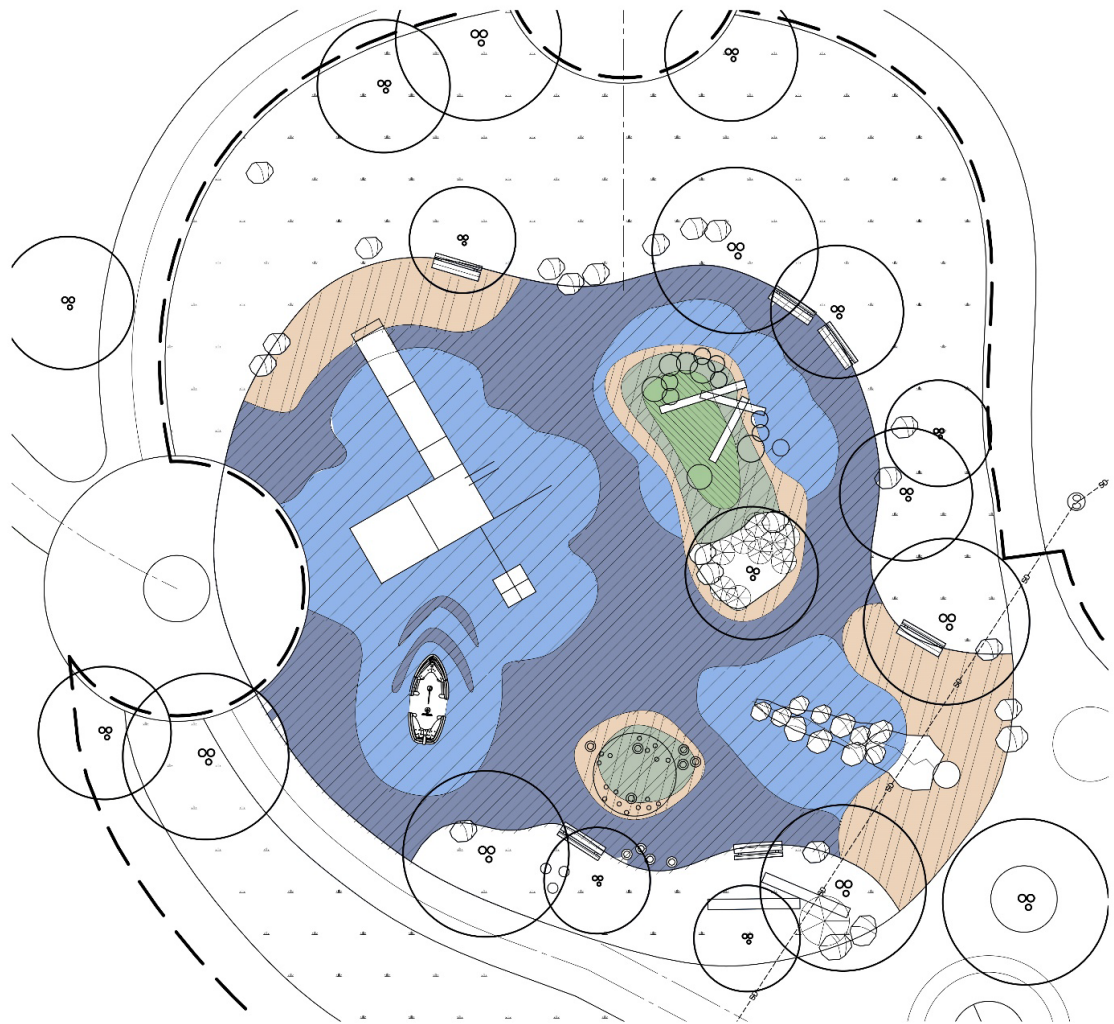
(D)



(C)



(N)



PLAYGROUND PROTECTIVE SURFACE PIP COLORS:

- Royal Blue w/ 50% black
- Sky Blue with Teal Border w/ 30% black
- 35% Brown / 15% eggshell w/ 50% black
- Hunter Green w/ 50% black
- Bright Green w/ 50% black

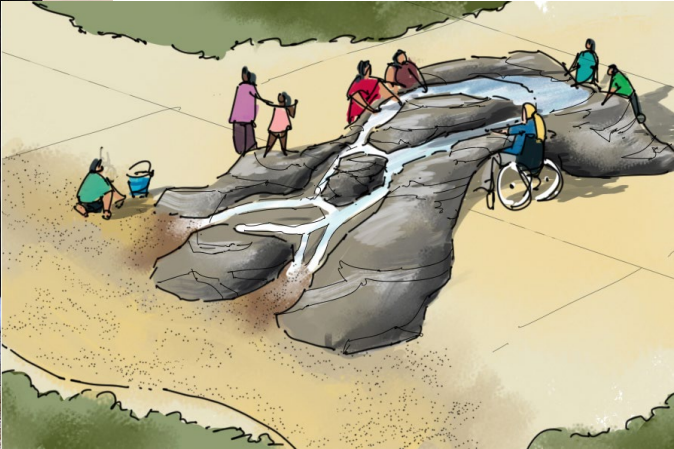


Photo: Courtesy of Portland Parks & Recreation / Image from Harper's playground

Courtesy of Portland Parks

Ford's Pond Natural Inclusive Play Area

Bison one-piece pump



Ford's Pond Natural Inclusive Play Area

Talking Tubes



Ford's Pond Natural Inclusive Play Area

Wide Embankment Slide





Color swatch

Ford's Pond Community Park

Oodle Swing, Landscape Structures



 Color swatch

Ford's Pond Community Park

We Go Round, Landscape Structures



Ford's Pond Community Park

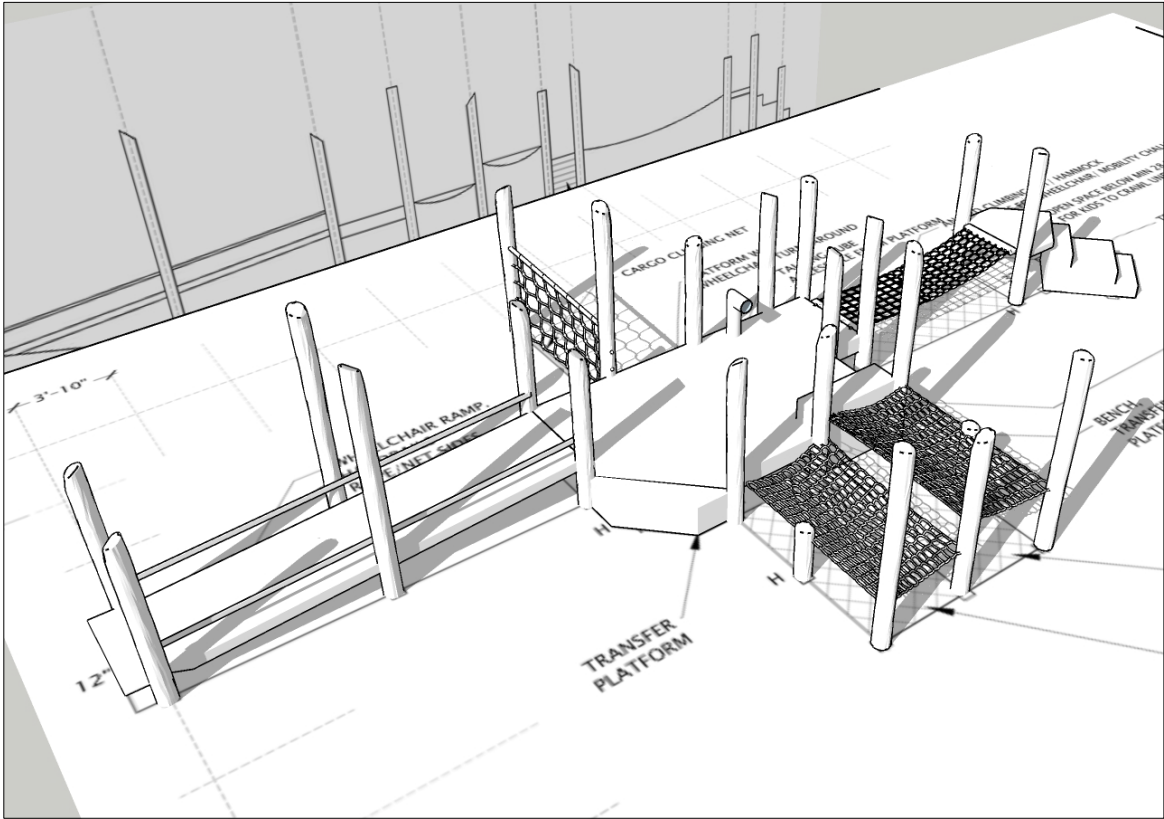
Rhapsody Outdoor Musical Instruments, Landscape Structures



Color swatch

Ford's Pond Natural Inclusive Play Area

Table Tennis



Ford's Pond Community Park

Fishing Pier



Ford's Pond Community Park

Forest Lake Boat



Potential Art Installation

Ford's Pond Community Park

Beaver Lodge



Ford's Pond Community Park

Log Stacks



Ford's Pond Community Park

Log Forest



PLANT SCHEDULE				
TREES	BOTANICAL NAME	COMMON NAME	CONT	REMARKS
ALM	Aster multiflorus	Big Leaf Maple	1.5" cal.	Matching, limited up to approx. 6 ft.
ALR	Alnus rhomboides	White Alder	1.5" cal.	Matching, 1st, 5th
ALR	Alnus rubra	Red Alder	1.5" cal.	Matching, 1st, 5th
QURK	Quercus kelloggii	California Black Oak	1.5" cal.	Matching, 1st, 5th
RIT	Rosa laurina	Bayberry	1.5" cal.	Matching, 1st, 5th
ED	Salix discolor	Pussy Willow	6" H.	Matching, 1st, 5th
THPH	Thuja plicata 'Hagen'	Hagen Cedar	6" H.	Matching, 1st, 5th
SHRUBS	BOTANICAL NAME	COMMON NAME	SIZE	REMARKS
ALC	Azalea cuneata 'Compact'	Deer Strawberry Tree	5 gal.	Matching, 1st
GPS	Cistus pulverulentus 'Sunset'	Rockrose	3 gal.	Matching, 1st
GDG	Cornus sericea	Red Twig Dogwood	5 gal.	Matching, 1st
MC	Myrica carolinensis	Pacific Wax Myrtle	5 gal.	Matching, 1st
PHC	Photinia neriifolia	Pacific Neriifolia	5 gal.	Matching, 1st
RIS	Rosa sanguinea	Red Flowering Currant	5 gal.	Matching, 1st
RON	Rosa rubra	Norfolk Rose	3" H.	Matching, 1st
SPO	Spirea douglasii	Western Spirea	5 gal.	Matching, 1st
SPG	Spirea japonica 'Goldflame'	Japanese Spirea	5 gal.	Matching, 1st
SYA	Symphoricarpos albus	Common White Snowberry	5 gal.	Matching, 1st
GROUND COVERS	BOTANICAL NAME	COMMON NAME	CONT	REMARKS
AROU	Arundo donax	Reedgrass	1 gal.	Matching, 1st, 2nd c.c.
CA	Carex acutiflora 'Karl Foerster'	Feather Reed Grass	1 gal.	Matching, 1st, 2nd c.c.
GAO	Carex obovata	Slough Sedge	4" gal.	Matching, 1st, 18" c.c.
GDG	Cornus sericea 'Rutgers'	Deer Red Twig Dogwood	3 gal.	Matching, 1st, 30" c.c.
RDK	Rubus idaeus	Deer Rubus	3 gal.	Matching, 1st, 30" c.c.
SPB	Spirea japonica 'Goldflame'	Japanese Spirea	4" gal.	Matching, 1st, 18" c.c.
PEAH	Pennisetum alopecuroides 'Hameln'	Hameln Dwarf Fountain Grass	1 gal.	Matching, 1st, 24" c.c.
RFG	Rudbeckia hirta 'Goldsturm'	Black Eyed Susan	1 gal.	Matching, 1st, 12" c.c.
SPBG	Spirea japonica 'Goldflame'	Gold Mound Spirea	3 gal.	Matching, 1st, 30" c.c.

PLANTING PLAN LEGEND

- EVERGREEN SHRUBS
- DECIDUOUS SHRUBS
- GRASSES
- PERENNIALS

**FORD'S POND INCLUSIVE NATURE PLAY AREA
CITY OF SUTHERLIN**

DLA LANDCURRENT DYER
PARTNERSHIP

DESIGN DEVELOPMENT PLANNING LEVEL
PRELIMINARY COST ESTIMATE
QUANTITIES FROM DESIGN DRAWING (12/20/2021)

December 20, 2021

ITEM	QTY	UNIT	UNIT COST	TOTAL COST	NOTES
DIRECT CONSTRUCTION COSTS					
Division 01- General Requirements				\$ 567,915	2
Division 02- Site Furnishing				\$ 67,316	2
Division 02- Site Furnishing for Play Area				\$ 261,528	2
Division 13- Building Structures				\$ 485,000	2
Division 31 -Earthwork				\$ 105,315	2
Division 32 -Exterior Improvements				\$ 697,639	2
Division 32 -Exterior Improvements for Play Area				\$ 171,720	2
Division 33 -Utilities				\$ 64,775	2
Contingency @ 15%				\$ 363,181	2
Estimated Direct Construction Cost (DCC)				\$ 2,784,388	
INDIRECT CONSTRUCTION COSTS					
General Requirements & Bonds & Insurance	@	3%		\$ 83,532	3
Estimated Indirect Construction Cost (ICC)				\$ 83,532	
TOTAL ESTIMATED BID COST (DCC + ICC)				\$ 2,867,920	
OWNER SOFT COSTS					
Permits & Administration	@	0%		\$ -	1
Estimated Owner Soft Cost (OSC)				\$ -	
TOTAL ESTIMATED PROJECT COST (DCC + ICC + OSC)				\$ 2,867,920	

NOTES:

1. City administration and permit fees not part of project budget.
2. See Breakdown tab for detailed costs
3. Bonds & Insurance to be determined by the City



Ford's Pond Community Park

3D Rendering

Adjourn To Exhibits & Questions





Consent Agenda



CITY OF SUTHERLIN
City Council Meeting
Civic Auditorium
Monday, November 8, 2021 – 7:00 p.m.

COUNCIL MEMBERS:

Tom Boggs, Gary Dagel, Joe Groussman, Debbie Hamilton, Shawn Smalley and Larry Whitaker

MAYOR: Michelle Sumner

CITY STAFF: City Manager, Jerry Gillham

Finance Director, Tami Trowbridge
City Recorder, Diane Harris
Deputy City Recorder, Melanie Masterfield
Community Development Director, Brian Elliott
Community Development Supervisor, Kristi Gilbert
City Planner, Jamie Chartier
Public Works Director, Aaron Swan
Police Chief, Troy Mills
Fire Chief, Mike Lane
Urban Renewal Administrator, Pat Lynch
Media & Communications Coordinator, Nancy Rodriguez (via Zoom)
City Attorney, Chad Jacobs (via Zoom)

Audience: Dennis & Lanette Denney, Carol & Doug Brink, Sharon Elliott, Jon White, Dixie Utterback, Emily Blakely and Rick De Young from Sutherlin Lion's Club; Malic & Rebecca Fadel

Via Zoom: Gale Buckbee, Alisha Marquez, Andre Scalfani, Angela Osnes, Debra Huckins, J. Lindeen Brown, Lynn Tonn, Peter Duncan, Sherman Hong, Christy Smalley, Robert Getz, Carolyn, Jason Smalley, Larry Bahr, LaDonna Gresser, Taylor, Mr. De Jong

Meeting called to order by Mayor Sumner at 7:00 p.m.

Flag Salute:

Roll Call: All present

Media: None

****Mayor Sumner informed Zoom attendees of procedures to follow for participating in the meeting.**

****Mayor Sumner announced that agenda item under City Manager Report would be postponed to a future date along with the two Executive Sessions following the meeting.**

PRESENTATION / PROCLAMATION

• **Proclamation – Sutherlin Lion's Club 75th Anniversary**

City Manager, Jerry Gillham, invited Rick De Young to the podium to read the Proclamation. Mayor Sumner presented a plaque to Sutherlin Lion's Club President, Dennis Denney. Gillham expressed large amounts of gratitude for the services that the Sutherlin Lion's Club provides for the community. Denney graciously thanked the City of Sutherlin for their continued support. A round of applause and congratulations was given by the audience and staff.

CITY MANAGER REPORT – (verbal)

Gillham guided an informational discussion for Council members and citizens regarding Sutherlin's Homeless Camp. He apologized for how quickly this unexpected situation developed. Gillham further described the dire circumstances that many cities are facing regarding their homeless population. Due to

state and federal mandates, homeless individuals cannot be forced out of public right-of-way without an alternative location for them. Unfortunately, there are minimal options for City owned land. A (triangle) piece of land located at the corner of N. State Street and Sixth Avenue was designated as a ‘homeless camp’ for those campers to go instead of Central Avenue, parks, personal property, business property, etc. Andre Scalfani with Seventh Day Adventist Church will provide human services contact to the campers.

Public Works Director, Aaron Swan – A road will be constructed for ease of emergency personnel and the sanitation department. An eight-foot high chain link fence with privacy slats will be built along State Street, the rest of the perimeter will have a six-foot high fence. Minimal provisions will be provided. Cameras will also be placed around the camp.

City Attorney, Chad Jacobs – The 9th Circuit Court passed a ruling that cities cannot enforce a ‘No Camping’ Ordinance if there isn’t an alternative place for individuals to sit, lay or sleep. It violates the 8th Amendment for cruel and unusual punishment – punishing individuals for engaging in daily functions they can’t avoid. HB 3115 - States that any Ordinance that regulates sitting, lying, sleeping, or keeping warm and dry in public places for individuals experiencing homelessness must be objectively reasonable.

- Councilor Hamilton – Citizens have expressed concerns regarding funding sources for the camp. ***Gillham – It will cost an estimated \$50,000, ARPA (American Rescue Plan Act) funds will be used to cover the costs.***

Police Chief, Troy Mills – We are bound by law for services that can be provided. He explained how dispatch procedures for rating calls based on priority (1-5) and officers are dispatched based on that rate scale.

- Councilor Groussman – Citizens have expressed concerns regarding length of stay at the camp. ***Mills – We can’t I.D. someone if we don’t have a legal reason to contact them. There will be security cameras in place. Gillham – A group of volunteers have agreed to help and monitor the camp and provide resources for individuals.*** If citizens are interested in helping, where should they be directed? ***Gillham – Have them contact me.***
- Councilor Hamilton – If someone wants to volunteer, who should they contact? ***Gillham – Andre Scalfani at the Seventh Day Adventist Church.***

PUBLIC COMMENT (agenda items only)

- Malic Fadel – Expressed concern and opposition of a homeless camp in town.
 - Councilor Whitaker – Do you have a solution? ***If they’ve committed a crime, they should be escorted out of the City.***
 - Councilor Groussman – There are two types of individuals we’re trying to address - the houseless population and homeless population. Volunteers are what’s needed. ***Fadel volunteered to help.***
- Alisha Marquez – Lives across the street from the camp and expressed concern for the safety of her children.
- Angela Osnes – Lives across the street and expressed concern.
- Lynne Tonn – This has been planned for two years and citizens weren’t informed. ***Gillham – This camp is not meant to be permanent. Council and City staff are happy to meet with anyone who has suggestions. Currently, this was the best option to get them off the street.*** What is the perceived time limit on the temporary site? ***Get through winter and wait for a legislative decision. The goal is to find another piece of land, in close proximity to city services (as required by law), for a permanent site.***
 - Councilor Groussman – Thanked Gillham for educating everyone on this rapidly increasing situation and helping to understand state and federal guidelines and restrictions.

CONSENT AGENDAS

- **October 11, 2021 minutes – Regular Meeting**
- **October 22, 2021 minutes – Emergency Meeting**

MOTION made by Councilor Boggs to approve Consent Agendas as presented; second by Councilor Hamilton.

Discussion: None

In Favor: Councilors Boggs, Dagel, Whitaker, Smalley, Groussman, Hamilton and Mayor Sumner

Opposed: None

Motion carried unanimously.

PUBLIC HEARING

- **Clark Property Management LLC – Plan Amendment and Zone Change**

Mayor Sumner opened the Public Hearing at 7:52 p.m.

Staff Report – City Planner, Jamie Chartier – This Public Hearing is to provide interested parties an opportunity to speak either in favor, in opposition, or neutral comments regarding Planning File No. 21-S013 – Plan Amendment & Zone Change for Clark Property Management, LLC. Property addressed as 0 Dakota Street; described as T25S, R5W, S19B, Tax Lot 323.

- Councilor Groussman – Will a traffic signal be installed at Dakota Street? *Chartier – A traffic signal isn't warranted at this time based on the Traffic Impact Study.*

Mayor Sumner called for any public comment. No comments were given.

Mayor Sumner closed Public Hearing at 7:53 p.m.

COUNCIL BUSINESS

- **Ordinance No. 1086 – Tree City USA (second reading & adoption)**

City Recorder, Diane Harris, read Ordinance by title only: *“An ordinance of the City of Sutherlin adopting a “Tree City USA” tree care program for the City of Sutherlin, Oregon. To promote and protect public health, safety, and general welfare by providing for the regulation of the planting, maintenance, and removal of trees, shrubs, and other plants on public property within the town of Sutherlin.”*

Staff Report – Gillham – This program has been discussed at length over the last four months. All information is included in the staff report.

MOTION made by Councilor Whitaker to approve Ordinance No. 1086 – Tree City USA, second reading & adoption as presented; second by Councilor Groussman.

Discussion:

- Councilor Dagel – Why does an Ordinance need to be enacted? Who enforces it? Feels it should be a Resolution for guidance. *Gillham further explained the Tree City USA program.*
- Councilor Boggs disagrees with this program.

In Favor: Councilors Whitaker, Smalley, Groussman, Hamilton and Mayor Sumner

Opposed: Councilors Boggs & Dagel

Motion carried.

- **Ordinance – Clark Property Management LLC – Plan Amendment & Zone Change (first reading, title only)**

Harris read Ordinance by title only: *“An ordinance amending the City of Sutherlin comprehensive plan map and zoning map to amend the comprehensive plan map from community commercial and low density to high density, concurrent with a zoning map change from community commercial (c-3) and low density residential (r-1) to multifamily residential (r-3) for property described as tax lot 323 in section 19b of t2s, r05w. The subject 3.7- acre property is located at 0 Dakota Street and described herein.”*

Staff Report – Chartier, asked Council to approve the first reading, title only of this Ordinance. This application received recommendation for approval from the Planning Commission.

MOTION made by Councilor Whitaker to approve Ordinance – Clark Property Management LLC – Plan Amendment & Zone Change – first reading, title only as presented; second by Councilor Hamilton.

Discussion:

- Councilor Boggs – Where's the water source? *Swan – There's a water line on Dakota Street. Does it feed Fort McKay Rd. residences? No.*
- Councilor Dagel – What happens when traffic is increased? *Gillham – This project will take place three to five years down the road and will trigger the need for a traffic signal with ODOT.*

In Favor: Councilors Boggs, Dagel, Whitaker, Smalley, Groussman, Hamilton and Mayor Sumner

Opposed: None

Motion carried unanimously.

- **Ordinance No. 1088 – PacifiCorp Franchise Agreement with Emergency Clause**

Harris read Ordinance by title only: “*An ordinance of the City of Sutherlin granting an electric utility franchise and general utility easement to PacifiCorp and declaring an emergency.*”

Staff Report – Gillham – PacifiCorp has limited ease of access for the Police Department to install security cameras on their utility poles until an updated agreement was approved. This agreement sustains the 3.5% franchise fee previously adopted in Ordinance 1011. The City will have camera coverage from near Bimart to Ford’s Pond.

MOTION made by Councilor Whitaker to approve Ordinance No. 1088 – PacifiCorp Franchise Agreement with Emergency Clause as presented; second by Councilor Groussman.

Discussion:

- Councilor Boggs – Will the cameras use their power? *Mills – Yes.*
- Councilor Dagel – Does the user pay the 3.5%? *Gillham – Yes, the PacifiCorp consumer does.*

In Favor: Councilors Boggs, Dagel, Whitaker, Smalley, Groussman, Hamilton and Mayor Sumner

Opposed: None

Motion carried unanimously.

- **Liquor License Approval – El Horse Café**

Staff Report – Police Chief, Troy Mills – The applicant has filed for a Full On-Premises, Commercial license. The Police Department has found no information that would be viewed as disqualifying by the Oregon Liquor Control Commission (OLCC).

MOTION made by Councilor Hamilton to approve Liquor License – El Horse Café as presented; second by Councilor Whitaker.

Discussion:

- Councilor Dagel – The applicant didn’t provide a social security number? *Gillham – We don’t monitor that part of the application, it’s up to OLCC.*
- Councilor Groussman – What kind of establishment is El Horse Café? *Mayor Sumner – Mexican food with full American breakfast.*

In Favor: Councilors Boggs, Dagel, Whitaker, Smalley, Groussman, Hamilton and Mayor Sumner

Opposed: None

Motion carried unanimously.

STRATEGIC PLAN UPDATE

- **Traffic Impact Study – Dakota Street, Industrial Park and Dovetail Lane Intersection**

Staff Report – Community Development Supervisor, Kristi Gilbert – Kelly Sandow with Sandow Engineering completed the study for Dakota Street. Improvements are not needed at this time per ODOT review. However, ODOT has recommended the City prepare for future improvements at that intersection. Sandow Engineering is now conducting an analysis for the Industrial Park and Dovetail Lane intersection with an estimated completion date of February, 2022.

CITY MANAGER REPORT

- Gillham announced that Executive Session called under ORS 192.660 (2) (h) – Legal Counsel will commence following the City Council meeting.

COUNCIL COMMENTS

Councilor Boggs

- When will the manhole covers on the west side of Central Ave. be fixed? *Swan – No exact date yet.*
- Speed sign on Fort McKay Rd. has disappeared. *Swan – We’ll take care of it.*

Councilor Dagel

- Working on a business listing to bring forward.

Councilor Whitaker

- Nothing

Councilor Smalley

- Commended Chief Mills for his hard work with the homeless citizen's situation.

Councilor Groussman

- Light signals are needed out Hwy 138W.

Councilor Hamilton

- Thanked Gilbert and Public Works Staff for updating Sutherlin's (US Census) population signs.

Mayor Sumner

- The downtown Halloween event was outstanding and thanked all the businesses for participating.

PUBLIC COMMENT

- Alisha Marquez expressed more concerns regarding the Homeless Camp.
 - Councilor Hamilton – Rules will be in place. By providing a place for the homeless, keeps them off the streets and monitored. Mayor Sumner urged her to call the police if a criminal issue arises.

ADJOURNMENT

With no further business, meeting adjourned at 8:28 p.m.

Mayor Sumner announced that Council will take a 5-minute break before meeting in Executive Session – ORS 192.660 (2) (h) – Legal Counsel, for consulting with legal counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

Executive Session called to order at 8:36 p.m.

Executive Session adjourned at 8:58 p.m.

Approved:

Jerry Gillham, City Manager

Respectfully submitted by,

Melanie Masterfield, Deputy City Recorder

Michelle Sumner, Mayor



COUNCIL BUSINESS





126 E. Central Avenue
Sutherlin, OR 97479
541-459-2857
Fax: 541-459-9363
www.cityofsutherlin.com

City of Sutherlin

STAFF REPORT					
Re: Ordinance No. 1087 -- Plan Amendment and Zone Change (Clark Property Management, LLC), Planning File No. 21-S013				Meeting Date:	12/20/2021
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Jamie Chartier, City Planner and Brian Elliott, Community Development Director				City Manager Review	<input type="checkbox"/>
Attachments: Ordinance No. 1087, Legal Description, Vicinity Map, Exhibit A, & Findings of Fact					

WHAT IS BEING ASKED OF COUNCIL?

Consider approval of second reading and adoption of Ordinance No. 1087 - Clark Property Management, LLC Plan Amendment and Zone Change (Planning File No. 21-S013).

EXPLANATION

This ordinance formally approves the plan map (from Community Commercial and Low Density to High Density) and zoning map (from Community Commercial and Low Density Residential to Multifamily Residential) amendment requested by the property owner. The subject 3.75 acre portion of land is located on Dakota Street and is described as T25S, R5W, S19B, Tax Lot 323; Property ID No. R148651, and is addressed as 0 Dakota Street.

The application received recommendation for approval from the Planning Commission after a public hearing held September 21, 2021. A second public hearing was held before City Council on November 8, 2021.

OPTIONS

See below

SUGGESTED MOTION(S)

1. Approve second reading and adoption of Ordinance No. 1087 – Plan Amendment & Zone Change (Clark Property Management, LLC);
2. Approve second reading and adoption of Ordinance No. 1087 – Plan Amendment & Zone Change (Clark Property Management, LLC) with amendments; or
3. Not approve second reading and adoption of Ordinance No. 1087 – Plan Amendment & Zone Change (Clerk Property Management, LLC).

ORDINANCE NO. 1087

AN ORDINANCE AMENDING THE CITY OF SUTHERLIN COMPREHENSIVE PLAN MAP AND ZONING MAP TO AMEND THE COMPREHENSIVE PLAN MAP FROM COMMUNITY COMMERCIAL & LOW DENSITY TO HIGH DENSITY, CONCURRENT WITH A ZONING MAP CHANGE FROM COMMUNITY COMMERCIAL (C-3) & LOW DENSITY RESIDENTIAL (R-1) TO MULTIFAMILY RESIDENTIAL (R-3) FOR PROPERTY DESCRIBED AS TAX LOT 323 IN SECTION 19B OF T25S, R05W. THE SUBJECT 3.75 ACRE PROPERTY IS LOCATED AT 0 DAKOTA STREET AND DESCRIBED HEREIN.

The City Council of the City of Sutherlin finds that:

A. Clark Property Management, LLC submitted application(s) for a Comprehensive Plan Map and Zoning Map amendments to amend the existing Comprehensive Plan and Zoning designations for property identified within Douglas County Assessor Records as Tax Lot 323 in Section 19B of Township 25 South, Range 5 West. The subject property is further described in Exhibit A attached hereto and incorporated herein.

B. The Sutherlin Planning Commission held a properly noticed public hearing on September 21, 2021 to consider the applicant's request. Following the public hearing, the Planning Commission passed a motion to recommend that the City Council approve the proposed Comprehensive Plan Map and Zoning Map amendments.

C. Pursuant to Section 4.2.150.G of the Sutherlin Development Code, notice of a public hearing before the City Council was given, and the public hearing on the requested Comprehensive Plan Map and Zoning Map amendments was conducted on November 8, 2021.

D. The proposed amendments to the Sutherlin Comprehensive Plan Map and the Sutherlin Zoning Map to implement the requested zone changes are found to be consistent with the Statewide Planning Goals and in conformance with the Sutherlin Comprehensive Plan. The City Council also finds that the site is suitable to the proposed zone with respect to the public health, safety, and welfare of the surrounding area. The findings supporting these decisions are attached as Exhibit B hereto.

THE CITY OF SUTHERLIN ORDAINS AS FOLLOWS:

Section 1. The Sutherlin Comprehensive Plan Map is hereby amended to change the Comprehensive Plan designation of the real property identified as all or a portion of Tax Lot 323 in Section 19B of Township 25 South, Range 5 West, and more particularly described and depicted in Exhibit A.

Section 2. The Sutherlin Zoning Map is hereby amended to reconfigure the zoning designations of the real property identified as all or a portion of Tax Lot 323 in Section 19B of Township 25 South, Range 5 West, more particularly described and depicted in Exhibit A.

Section 3. The City Council adopts the Findings of Fact and Decision Document (Exhibit B) as their own and the Sutherlin Comprehensive Plan Map and the Sutherlin Zoning Map shall be revised to depict the adopted amendments.

PASSED BY THE COUNCIL ON THIS ____ DAY OF ____, 2021.

APPROVED BY THE MAYOR ON THIS ____ DAY OF ____, 2021.

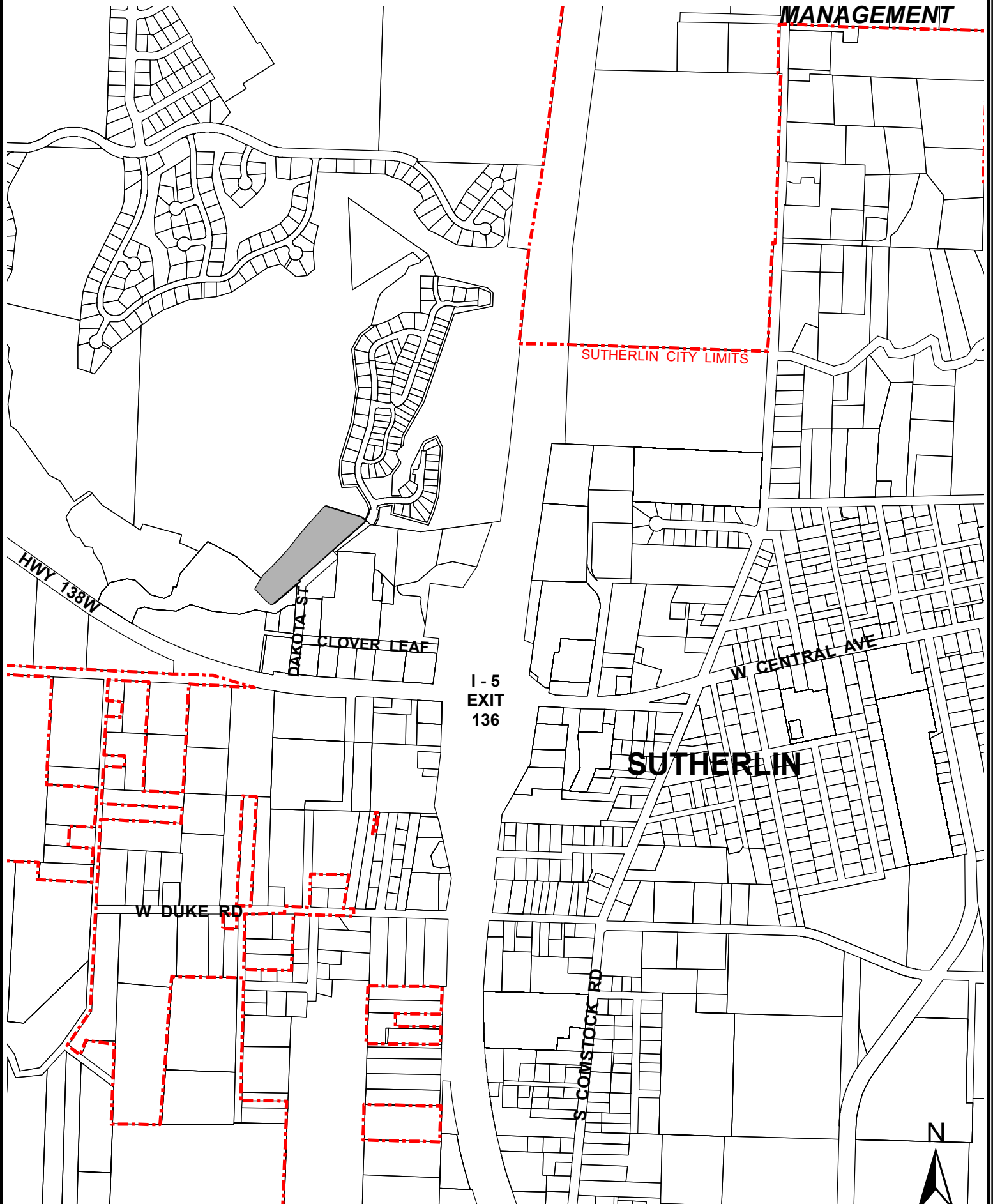
Michelle Sumner, Mayor

ATTEST:

Diane Harris, City Recorder, CMC

Legal Description

Parcel 2 of Partition Plat No. 2021-0003, Surveyor's Records of Douglas County, Oregon,
Recorder's Instrument No. 2021-000625.



**PROPOSED P/A (RL TO RA)
& Z/C (R-1 TO R-3) AREA**

**PROPOSED P/A (CC TO RA)
& Z/C (C-3 TO R-3) AREA**

FAIRWAY ESTATES DR

CLOVER LEAF

DAKOTA ST

HWY 138W

SUTHERLIN CITY LIMITS

CITY OF SUTHERLIN



EXHIBIT B

BEFORE THE PLANNING COMMISSION OF THE CITY OF SUTHERLIN

IN THE MATTER of a request for a Plan Map]	FINDINGS OF FACT AND DECISION
Amendment and Zone Map Change for a parcel]	Applicant: Clark Property Management LLC
located adjacent to Dakota Street and identified]	Subject: Plan Amendment and Zone Change
by the Douglas County Assessor as T25S, R5W,]	File No.: 21-S013
S19B, Tax Lot 323, Property ID No. R148651]	
Property owner: Clark Property Management]	
LLC]	

PROCEDURAL FINDINGS OF FACT

1. The Comprehensive Plan Map Amendment and Zone Map Change applications were filed with the City on July 29, 2021 and were deemed complete on August 11, 2021.
2. DLCD Notice of Proposed Amendment was submitted electronically to the Department of Land Conservation and Development on August 17, 2021 which was at least 35 days prior to the first evidentiary public hearing on September 21, 2021. DLCD did not provide comments on the application.
3. Pursuant to Sections 4.2.140.C and 4.2.150.D of the Sutherlin Development Code, notice of the public hearing was given by publication in the *News Review* on September 7, 2021, which was at least fourteen (14) days prior to the date of the public hearing.
4. Notice of a Public Hearing on an application for the Comprehensive Plan Map Amendment and Zone Map Change before the Planning Commission was given in accordance with Sections 4.2.140.C and 4.2.150.D. Notice was sent to affected property owners of record within 100 feet of the subject property, service providers, and governmental agencies on August 27, 2021. One (1) written comment was received.
5. The Planning Commission held a public hearing on this matter on September 21, 2021.
6. At the public hearing on September 21, 2021, there were no declarations of ex parte contact or other conflicts of interest made by the Planning Commissioner. No objections were raised and the Commission was qualified to hear the matter.
7. The Planning Commission declared the following as parties to the hearing:
 - a. Thomas McIntosh, representative for the applicant/property owner
 - b. Fair Housing Council of Oregon, Jean Dahlquist

8. Reference was made to the September 14, 2021 Staff Report, and findings of fact addressing conformance to the applicable criteria of the Statewide Planning Goals, the applicable goals and policies of the Sutherlin Comprehensive Plan, and the applicable criteria of the Sutherlin Development Code.
9. Planning Staff presented the Staff Report dated September 21, 2021 and entered Staff Exhibits 1-12 into the record.
10. Planning Staff referred to the emailed concerns that were raised by the Fair Housing Council of Oregon. To address the concerns, staff explained that the proposed application to a high density comprehensive plan and zone designation would allow the property owner to develop the property at a multifamily level, where as it is today is not an option. Sutherlin (and most of Douglas County) are facing a housing shortage, this would help alleviate the lack of houses in the community and also Sutherlin has minimal multifamily residential zoned property that is buildable.
11. The representative for the applicant and titleholder, Thomas McIntosh, concurred with the Staff Report submitted. Added that the applicants (property owners) submitted the applications to help facilitate housing development within the community and give supply to the existing shortage of. He also stated that his clients feel that with the plan amendment and zone change to a higher density it would allow the property to be developed with multi housing unit(s), which in turn would maximize an existing stagnate piece of property.
12. The Planning Commission asked clarifying questions of staff and the applicant's representative mainly regarding transportation. Planning Staff stated that in anticipation of development in the immediate area, The City of Sutherlin hired a consulting firm to conduct a Traffic Impact Analysis (TIA). With the coordination of the City and ODOT on the TIA for the intersection of Dakota Street and State Highway 138W was completed. The conclusion of the TIA is that the additional development traffic does not substantially increase queuing conditions and at this time no additional traffic improvements to State Hwy 138W are needed.
13. The Planning Commission received clarifying oral testimony about the requested plan amendment and zone change from the Applicant's Representative, Thomas McIntosh, who also answered questions from the Commission clarifying about traffic requirements and standards for any type of development.
14. The Planning Commission provided opportunity to receive clarifying questions and oral testimony from persons in favor and in opposition to the application. No persons were present.
15. The Planning Commission provided opportunity to receive clarifying questions and oral testimony in rebuttal to the application. No testimony was given.
16. The Planning Commission closed the public portion of the hearing and commenced discussion on the application.

FINDINGS OF FACT RELATED TO DECISION

1. The Planning Commission expressed no objections to the proposed Comprehensive Plan Map and Zoning Map Amendments.

FINDINGS OF FACT

Finding No. 1. The Planning Commission finds the subject property is designated Community Commercial and Low Density in the Sutherlin Comprehensive Plan and zoned Community Commercial (C-3) and Low Density Residential (R-1) in the Sutherlin Development Code.

Finding No. 2. The Planning Commission adopts by reference the findings of the Staff Report dated September 14, 2021.

Finding No. 3. The Planning Commission finds, based upon the staff report, application materials and the oral testimony provided, that the requested Comprehensive Plan Map amendment from Community Commercial and Low Density to High Density and Zoning Map Amendment from Community Commercial (C-3) and Low Density Residential (R-1) to Multifamily Residential (R-3) is consistent with the applicable Statewide Planning Goals, and that no exceptions to the goals were proposed.

Finding No. 4. The Planning Commission finds, based upon the staff report, application materials and the oral testimony provided, that the requested plan map and zoning map amendment is consistent with the applicable general goals and policies of the Sutherlin Comprehensive Plan and its implementing ordinances, including those related to Natural Features, Population, Air Water and Land Resource Quality, Natural Hazards, Recreational Needs, Economy, Housing, Public Facilities and Services, Transportation System, including Pedestrian and Bicycle Transportation, Energy Conservation and Land Use and Urbanization.

Finding No. 5. The Planning Commission finds, based upon the staff report, application materials and the oral testimony provided, that the proposed amendment is consistent with the applicable criteria of Section 4.11 [Amendments] and Section 4.8 [Zoning Amendments] of the Sutherlin Development Code. The applicant has demonstrated consistency with the Comprehensive Plan, including inventory documents and facility plans. Public facilities and services are available, but currently do not serve the subject property.

Finding No. 6. The Planning Commission further finds that the applicant has demonstrated that the most intense uses and density that would be allowed outright in the proposed R-3 zone, considering the existing residential and commercial development in the area, can be or are already served by the orderly extension of urban services, and that the proposed amendment is consistent with OAR 660-012-0060.

Finding No. 7. The Planning Commission finds that the proposed amendment from Commercial Community and Low Density to High Density is not the result of a mistake or inconsistency, but will be consistent with the existing residential and commercial uses surrounding the subject property.

CONCLUSION

1. A motion was made by Commissioner Price to recommend approval and seconded by Commissioner L. Woods to approve the requested Comprehensive Plan Map Amendment from Community Commercial and Low Density to High Density and Zoning Map Amendment from Community Commercial (C-3) and Low Density Residential (R-1) to Multifamily Residential (R-3) on the 3.75 acre property and forward the recommendation to City Council. The motion passed unanimously.

2. The Commission adopts the findings of the staff report in support of their decision.

NOW, THEREFORE, based upon the foregoing findings of fact and the oral testimony provided, the Sutherlin Planning Commission recommends to City Council the **ADOPTION** of the requested Comprehensive Plan Map Amendment from Community Commercial and Low Density to High Density and Zoning Map Amendment from Community Commercial (C-3) and Low Density Residential (R-1) to Multifamily Residential (R-3) on the 3.75 acre property located at 0 Dakota Street.

DATED THE 19 DAY OF October, 2021.


NORMAN DAVIDSON, CHAIR

N:\Planning\2021 Land Use\21-S013 CLARK PA ZC\21-S013_Clark_PAZC_PC FFO.docx



126 E. Central Avenue
Sutherlin, OR 97479
541-459-2856
Fax: 541-459-9363
www.cityofsutherlin.com

City of Sutherlin

STAFF REPORT					
Re: Budget Committee Appointment				Meeting Date:	12/20/2021
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: City Recorder, Diane Harris				City Manager Review	<input checked="" type="checkbox"/>
Attachments: Budget Committee Application					

WHAT IS BEING ASKED OF COUNCIL?

There are two vacancies on the City of Sutherlin's Budget Committee; staff is requesting council to consider an application to fill one of the vacancies. There is one term ending on December 31, 2021, the other vacant seat has a term ending on December 31, 2022.

EXPLANATION

Budget Committee – The City received an application from Jeneen Hartley who has been a resident living outside city limits for 1½ years. Sutherlin Municipal Code 2.05.095 (B) states “Members of such committee shall be residents of the City; provided that the Mayor may nominate and the Council may approve one nonresident of the City to serve on each committee”. The City currently has no other Budget Committee Members that reside outside of the city limits.

OPTIONS

See suggested motion below.

SUGGESTED MOTION(S)

Motion to appoint (not appoint) Jeneen Hartley to the term ending December 31, 2022.



City of Sutherlin

Application for Citizen Committee/Commission/Board Appointment

Name Jeneen Hartley Date 11/3/2021

Address [REDACTED] Phone 612.250.9949

Email jeneenhartley@gmail.com Bus. Phone same

Length of Residency in Sutherlin 1.5 years Registered Voter? Yes

Candidate for position on Budget Committee

Relevant background and experience I currently work at the Douglas ESD as an administrator.

Prior to that, I spend four years at the Ford Family Foundation. I have broad experience in creating

and managing budgets, securing (and reviewing) grants, and using funds for telling the story of the work.

What are your major interests or concerns in the City's programs? I believe Sutherlin is

on the cusp of many great things. As the region expands, Sutherlin provides a consistently hometown

feel, allowing for deep engagement within the community and working together to make things

better. I want to share my experience and knowledge in developing the strong financial footing.

Why would you like to be appointed to this position?

I have been in the region for more than seven years and a Sutherlin resident for more than a

year. I am ready to get involved and play a role in building on the solid foundation of this

community--a strong financial core is essential to a healthy community.

RETURN THIS FORM TO: City Recorder, 126 E. Central Ave., Sutherlin, OR 97479

For Office Use Only:

Date received: November 3, 2021

Date considered: _____

Action by Council _____

Term Expires: _____

Nov 2019 revised



126 E. Central Avenue
Sutherlin, OR 97479
541-459-2856
Fax: 541-459-9363
www.cityofsutherlin.com

City of Sutherlin

STAFF REPORT					
Re: Central Park Multi-Use Staging Area				Meeting Date:	12/20/2021
Purpose:	Action Item <input checked="" type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input type="checkbox"/>
Submitted By: Brian Elliott, Community Development Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: Cost Estimate, Drawing, Warner Dome Statecover.					

WHAT IS BEING ASKED OF COUNCIL?

This staff report is to give City Council an update on the Central Park Multi-Use Staging area.

EXPLANATION

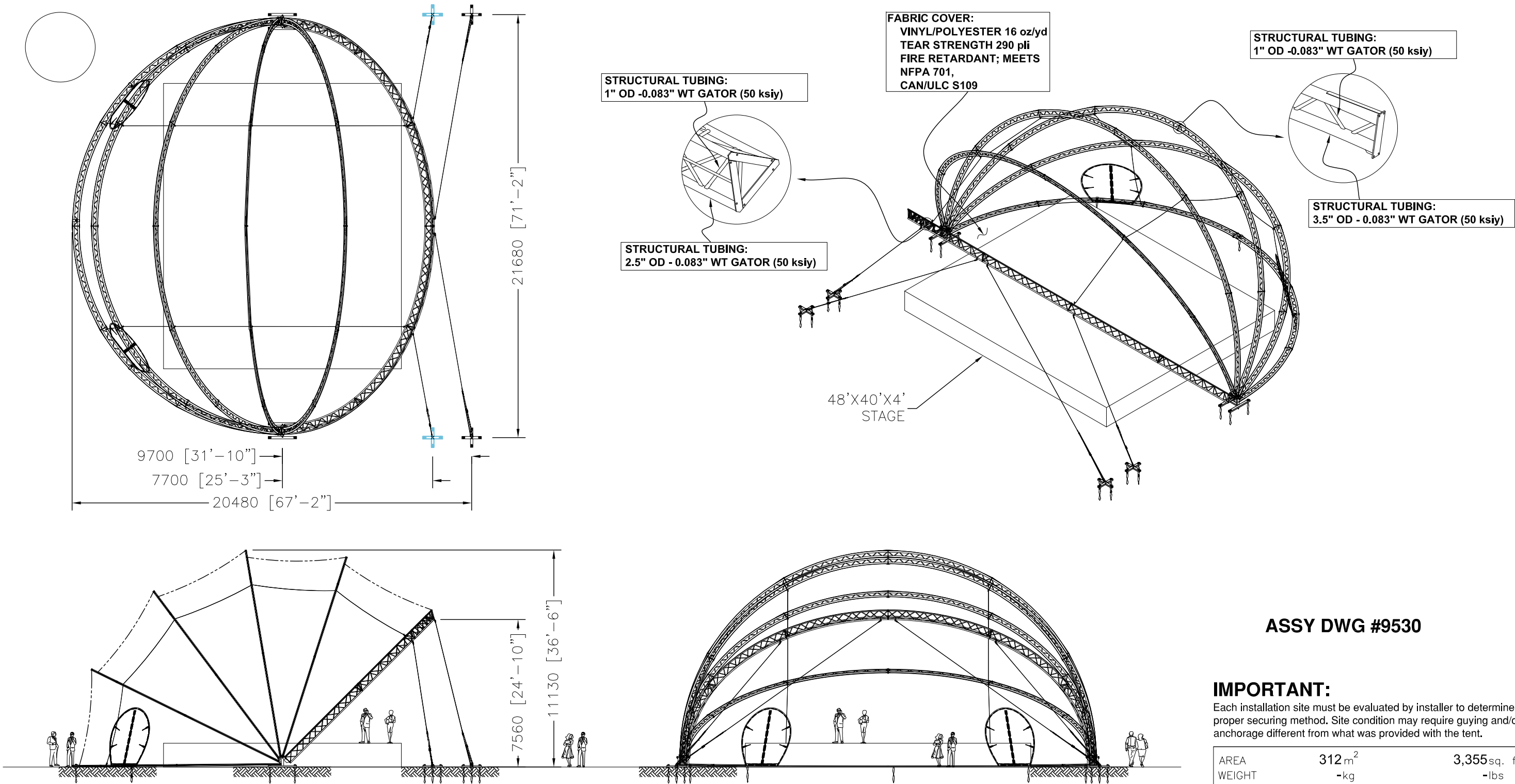
Part of the 2021/2022 strategic plan and City Council priorities was to move forward with Central Park Multi-Use Staging area. The original cost estimate was around \$225,000. The current estimated price is at \$508,496. The staging area dimensions are 75.2' X 71.0" with a Warner Stagecover. The location would be in the Northeast corner of Central Park. Because there's been a significant cost increase, staff wanted to revisit this project with City Council and see if council still wanted to move forward with the project. This project is funded through American Rescue Plan Act (ARPA).

OPTIONS

City Council to give City Staff, a direction whether to move forward with the Central Park Multi-Use Staging area design and construction.

SUGGESTED MOTION(S)





ASSY DWG #9530

IMPORTANT:
Each installation site must be evaluated by installer to determine proper securing method. Site condition may require guying and/or anchorage different from what was provided with the tent.

AREA	312m ²	3,355sq. ft.		
WEIGHT	-kg	-lbs		
Warner Shelter Systems Limited				
SCALE	1:200	REVISIONS	BY	DATE
DATE	2016.05.31	-	-	-
DRWN. BY	CHKD. BY			
TMW				
APPROVED BY				
TITLE		NUMBER		
STAGECOVER SC-70A		70181		

WARNER DOME STAGECOVER

Design wind load :15 psf (0.72 kPa), exposure B
Design rain load : Roof slopes and fabric tautness MUST be maintained to avoid ponding.
Design snow load : Not designed for snow load
Seismic loading : The low relative mass and flexibility inherent in fabric-clad structure renders seismic loading negligible.

- Tent materials to be new or in good repair.
- Genuine WSSL parts must be used throughout the tent structure.
- Tent structure must be assembled & erected by personnel experienced in the craft.
- Tent structure should be evacuated if snow or wind speeds exceeding the design are forecast.
- Tents should be monitored to ensure tops are taut to avoid ponding.

Consultant limited scope of work

- 1) Scope of work limited to review of structure performance in winds gusts not exceeding the design wind speed as defined herein.
- 2) Scope of work does not include physical testing of tent materials, review of site conditions, tent erection procedures, or inspection of erected tent structure.
- 3) Scope of work shall not be construed as approval or guarantee that the erected tent structure will perform safely or otherwise for any particular use or site.
- 4) The consultant will not be held liable for injury or property damage resulting from any and all use or application of the tent structure.

FRAME:

GALVANIZED STRUCTURAL STEEL TUBING (50 ksiy)

FABRIC CLADDING:

VINYL/POLYESTER FABRIC, FIRE RETARDANT - ULC S-109,-NFPA 701, CALIFORNIA FIRE MARSHAL

TEMPORARY USE ONLY

FROM / / TO / /
PROPOSED FOR:

ERECT IN WINDS BELOW 10 MPH

City of Sutherlin

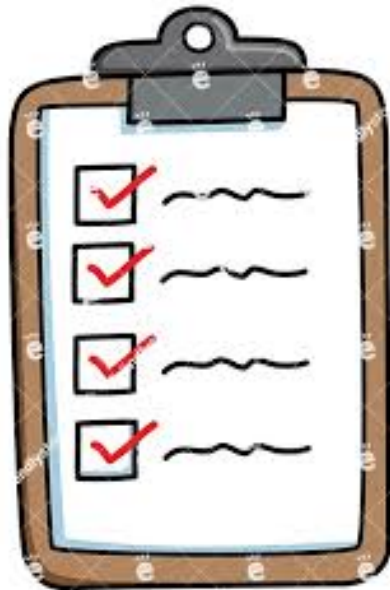
12/3/2021

Central Park**Events Stage****Preliminary Cost Estimate**

Item	Description	Unit	Quantity	Unit Price	Total
1	Construct Facilities & Temporary Controls	LS	1	\$ 15,000	\$ 15,000
2	Demolition & Site Prep	LS	1	\$ 2,000	\$ 2,000
3	Earth Work	LS	1	\$ 3,500	\$ 3,500
4	Foundation Stabilization	CY	15	\$ 150	\$ 2,250
5	Reinforced Concrete Stage & Ramps	CY	165	\$ 1,000	\$ 165,000
6	Stemwall Arch. Treatment - Stone Veneer	SF	650	\$ 15	\$ 9,750
7	Driveway Approach & Sidewalk	SF	140	\$ 35	\$ 4,900
8	Asphalt Driveway	SF	380	\$ 15	\$ 5,700
9	1" Water Service Line w/ Meter & Box	LS	1	\$ 7,000	\$ 7,000
10	Electrical Utility Fee	LS	1	\$ 10,000	\$ 10,000
11	Electrical Service (disconnect, panel, rack, etc.)	LS	1	\$ 15,000	\$ 15,000
12	Electrical Receptacle Circuits	LS	1	\$ 5,000	\$ 5,000
13	Stage Cover w/ Approx. Shipping Cost (+\$5,000)	LS	1	\$ 92,000	\$ 92,000
				Subtotal	\$ 337,100
		Contingency @ 15%			\$ 48,000
		Engineering @ 7.8%			\$ 24,996
		Legal. Admin./Finan @ 2%			\$ 6,400
				Total	\$ 508,496



STRATEGIC PLAN UPDATE





City of Sutherlin

STAFF REPORT					
Re: Strategic Plan – Street sign replacement project				Meeting Date:	12/20/2021
Purpose:	Action Item <input type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input checked="" type="checkbox"/>
Submitted By: Aaron Swan, Public Works Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: None					

WHAT IS BEING ASKED OF COUNCIL?

N/A

EXPLANATION

A few years ago, the city launched a pilot program to upgrade the street signs starting with the signs from State Street east to the edge of town. The program was put on hold during the Central Ave. improvement project. Since then the city logo on the top of the signs has been changed and we have recently asked for a new price quote on the signs. We look to move forward on the sign program this upcoming year.

OPTIONS

N/A

SUGGESTED MOTION(S)

N/A



City of Sutherlin

STAFF REPORT					
Re: Council Priorities Update – Strategic Plan				Meeting Date:	12/20/2021
Purpose:	Action Item <input type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input checked="" type="checkbox"/>
Submitted By: Troy Mills, Police Chief				City Manager Review	<input checked="" type="checkbox"/>
Attachments: None					

WHAT IS BEING ASKED OF COUNCIL?

Recruitment and Retention, Facility Security and Technology are the 3 council priorities for 2021-22. Below is the implementation update of those priorities.

EXPLANATION

- 1. Recruitment and Retention** - This is one of the biggest challenges in Law Enforcement. In order to minimize the potential for employment vacancies or assist in the recruitment of potential applicants due to vacancies, the Sutherlin Police Department continues community outreach, assists the Umpqua Community College's Police Reserve Academy and has implemented new concepts in order to keep qualified employees.

While continuing to be part of the UCC Police Reserve Academy as a means to find new qualified candidates, we have also added employment bonus's for successful years of service at the 5, 10, 15-year mark. This idea was generated as a way for officers to combat stress that is endured throughout their career. Allowing the bonus has the potential to provide additional mental health resources that may otherwise not have been available to the officer at the time. Keeping officers mentally healthy has the potential to minimize officer suicides, burn out, resignations and/or terminations.

Many departments in Oregon offer sign on bonus' to entice officers to apply for positions. The Sutherlin Police Department opted not to pursue sign on bonus as of now but rather looked at long term benefits of successful employment. The concept that was implemented consist of a retirement bonus. Essentially, this is a reward for long term successful employment which allows the employee to see a benefit for staying employed with the city long term.

These two implemented concepts have the potential to reduce employee turnover saving the city hundreds of thousands of dollars in recruitment, trainings, and employment procedures.

- 2. Facility Security** – This will be an ongoing endeavor for many years and may never have an end date. As technology changes, populations grow, and as the city assets expand the city will have to keep up with those changes to protect its citizens and assets.

Currently, the city has installed 22 cameras at 10 different sites throughout Sutherlin and Oakland. These cameras have become very valuable as a criminal deterrent and have become a great investigation

and officer safety tool as well. The camera systems have assisted in solving crimes that would have otherwise gone unsolved. Other benefits of the system include saving valuable time and investigative resources due to the quick information (video) recall allowed by the system. If these systems were not in place, officers may not ever find any information or they may spend many hours locating the information that is now easily retrievable from the system. Solving these cases, that may have otherwise gone un-solved, helps with the public's perception, trust and faith in its police department.

The police department is currently in the installation phase of 6-9 additional cameras at three new locations within Sutherlin. These systems should be fully operational by spring.

3. **Technology** – We have made it a goal to explore new ways to educate the public as well as implementing ways to make our roadways safer as our city continues to grow. In order to achieve this, the city has purchased another speed safety sign. The first sign that was installed on the west side of town near the Fort McKay intersection with Central Avenue. This sign has already been proven to work as the signs data reports lower vehicle speeds entering the city as opposed to the data received before the sign was installed. There has also been a reduction in vehicle related crashes near the location.

The new sign purchased is a small mobile battery-operated system that can be moved to a different site within minutes. The new sign collects vehicle data and displays vehicle speed back to the driver. This new sign is currently being tested at different locations throughout the city that are experiencing a higher propensity for speeding violations.

Since there are many areas in Sutherlin that have low speed limits, high pedestrian traffic, and vehicle congestion; these signs will assist in lowering driver speeds and have the potential to reduce vehicle crashes and significantly raise driver awareness.

Another driver safety tool that the police department is researching is the use of lit stop signs. The city has many 4-way intersections in town governed by the standard red stop sign. At some of these intersections, the stop signs blend into the background which drivers may not see, especially if those drivers are distracted.

The stop signs the police department is currently researching is a standard red stop sign with the addition of led lights boarding the perimeter of the sign. The lights can be turned off, stay constant on or flash to be more recognizable to the distracted driver. The signs can run on solar power or be hard wired into the location. These signs have the potential to reduce intersection related crashes and increase pedestrian safety. An example of these signs can be seen in other cities like Madras and Bend. The deployment and testing of these signs will be dependent on supply, availability, and cost.

OPTIONS

N/A

SUGGESTED MOTION(S)

N/A



City of Sutherlin

STAFF REPORT					
Re: Fire Equipment Funding Update – Strategic Plan				Meeting Date:	12/20/2021
Purpose:	Action Item <input type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input checked="" type="checkbox"/>
Submitted By: Fire Chief, Mike Lane				City Manager Review	<input checked="" type="checkbox"/>
Attachments: None					

WHAT IS BEING ASKED OF COUNCIL?

This report is an update on the progress of funding equipment and apparatus for the fire department.

EXPLANATION

The City continues to fund the Fire Reserve Fund with \$165,000 annually. These funds are used for the long term replacement of engines, truck, brush units, and other expensive fire equipment. The Department continues to apply for grants to offset the impact to this fund. The following grants we have applied for over the past three years.

2019

- AFG – Ladder Truck (Unsuccessful)
- AFG – Cardiac Monitor & AED's (Unsuccessful)
- Volunteer Fire Assistance Grant – Wildland Equipment (Successful)
- Fire House Subs – Medical Equipment (Unsuccessful)

2020

- AFG – Ladder Truck (Unsuccessful)
- AFG – Cardiac Monitor & AED's (Unsuccessful)
- DPSST – Wildland Training Grant (Successful)
- Umpqua Health Alliance Community Health Improvement Plan Grant – Auto pulse (unsuccessful)
- Oregon Community Foundation – EMS Equipment (Unsuccessful)
- Oregon Fire Chief Association – Physical Fitness Grant (Successful)

2021

- OSFM Wildland Urban Interface Grant – Wildland Equipment - (Successful)
- National Volunteer Fire Council/Anheuser-Busch Drinking Water Grant – (Successful)
- DEQ Exhaust Grant – (Unknown)
- AFG – Ladder Truck (Currently being written)

OPTIONS

N/A

SUGGESTED MOTION(S)

N/A



126 E. Central Avenue
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541-459-2856
Fax: 541-459-9363
www.cityofsutherlin.com

City of Sutherlin

STAFF REPORT					
Re: Remodel of City Hall Emergency Operation Center				Meeting Date:	12/20/2021
Purpose:	Action Item <input type="checkbox"/>	Workshop <input type="checkbox"/>	Report Only <input type="checkbox"/>	Discussion <input type="checkbox"/>	Update <input checked="" type="checkbox"/>
Submitted By: Brian Elliott, Community Development Director				City Manager Review	<input checked="" type="checkbox"/>
Attachments: N/A					

WHAT IS BEING ASKED OF COUNCIL?

This staff report is to give City Council an update on the remodel at City Hall for the Emergency Operations Center, janitor, filing cabinet storage and kitchen/break room.

EXPLANATION

As a result of recent events, such as Snowmagedon and the Archie Creek Fire, the city is being proactive and preparing for the next possible event. After installing back-up generators, portable fueling station, etc. the next step towards preparation is remodeling the city hall conference room and kitchen/break room to accommodate the city's Emergency Operation Center (EOC). Kevin Kennedy Construction received the bid award for the remodel, construction started August 2021. Construction is expected to be completed by December 20, 2021, and furnishings to follow. This project was funded by General Funds.

It has been discussed to have a second Emergency Operations Center. Family Church has agreed, if necessary, their facility would be available.

OPTIONS

N/A

SUGGESTED MOTION(S)

N/A



CITY MANAGER REPORT (verbal)



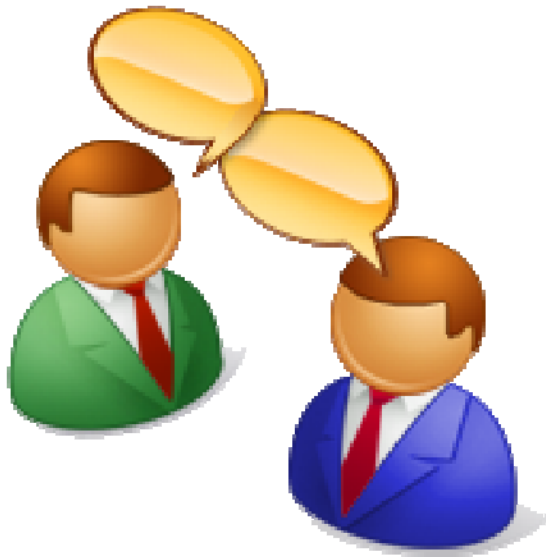


Pacific Northwest Clean Water Association Award





COUNCIL COMMENTS





PUBLIC COMMENT





ADJOURNMENT





FOR YOUR INFORMATION



STRATEGIC PLAN - ACCOUNTABILITY BENCHMARKS

MONTH	DEPT	GOAL	ACTION	
JAN 2021				
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 - Update provided during workshop	✓
FEB 2021				
02/08/21	Finance	WWTP Reporting Compliance & ARRA Reporting	Final Report to present to Council	✓
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,	✓
MAR 2021				
03/08/21	CDD/PW-Facilities/Parks	Ford's Pond recreational improvements	Report to Council	✓
03/08/21	CDD/PW-Water	NonP WTP modernization improvements	Bid, funding approval to Council	✓
APR 2021				
04/12/21	Police	Facility Security	Report to Council	✓
MAY 2021				
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	✓
05/17/21	CDD/PW-Facilities/Parks	Ford's Pond Comm Park Improv. Proj. 1 (Phase 2) & Proj 1A & 2A	Contract award for design, present to Council	✓
JUN 2021				
06/14/21	CDD/PW-Facilities/Parks	Ford's Pond Comm Park Improv Proj 1 & 2 (Phase 1) design	Contract award for design, present to Council	✓
06/14/21	CDD/PW-Transportation	Street Management Plan-Establish methodology and timeline	Report to Council	✓
06/14/21	CDD/PW-Water	Consider new code language allowing for water services outside city limits	Council Workshop	✓
06/14/21	CDD/PW-Water	Schoon Mt Pump Station (pump replace)	Report to Council	✓
06/14/21	CDD/PW-Water	Schoon Mt Tank and Sixth & Oak Pump Station improvements	Report to Council	✓
JUL 2021				
07/12/21	Admin	Personnel Policy Review by CIS	Report to Council	✓
07/12/21	CDD/PW-Facilities/Parks	Complete Central Plaza Park	Report to Council	✓
07/12/21	CDD/PW-Transportation	Traffic Impact Study (TIS) - Dakota St and Industrial Park	Report to Council	✓
07/12/21	CDD/PW-Water	Consider new code language allowing for water services outside city limits	Ordinance for approval- Further discussion to be held 8/16/21 mtg.	✓
07/12/21	CDD - Dev	Street Light Upgrade	Report to Council	✓
07/12/21	Fire	Increase Fire Reserve Funds for outdated equipment replacement	Report to Council-Action Item	✓
07/12/21	Fire	Replacement of Advance Life Support Cardiac Monitors & AED's	Report to Council-Action Item	✓

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

Revised 12/7/21

STRATEGIC PLAN - ACCOUNTABILITY BENCHMARKS

MONTH	DEPT	GOAL	ACTION	
AUG 2021				
8/9/21- 8/16/21	CDD/PW- Facilities/Parks	Inventory/inspect all city structural facilities/develop maint funding plan	Report to Council - Update to be provided Feb 2022	✓
8/9/21- 8/16/21	CDD/PW- Wastewater	Add one full-time employee (FTE) to Public Utility Department	Report to Council	✓
8/9/21- 8/16/21	CDD/PW- Transportation	Update and refresh Exit 135 sign	Present final design to council	✓
SEP 2021				
09/13/21	CDD/PW- Facilities/Parks	Community Center Building - caulk and paint exterior	Report to Council	✓
09/13/21	CDD/PW- Transportation	Implement 10-year non-compliant ADA replacement ramp plan	Report to Council	✓
09/13/21	CDD/PW- Transportation	Complete sidewalks from Silver Glen to Grove Lane and Central Ave.	Report to Council	✓
OCT 2021				
10/11/21	CDD/PW- Facilities/Parks	Ford's Pond Comm. Park Improv. Proj 1 & 2A (Phase 1) Completion	Report to Council after completion	✓
NOV 2021				
11/08/21	CDD/PW- Transportation	Traffic Impact Study (TIS) - Dakota St and Industrial Park	Report ODOT's response to Council	✓
DEC 2021				
12/13/21	Finance	Earn a "clean audit"	Report to Council	✓
12/13/21	CDD/PW- Facilities/Parks	Central Park Multi Use Staging area to be used for several annual events-Complete Design	Report to Council	✓
12/13/21	CDD/PW- Transportation	Replace all old street signs so they match the new street sign design	Report to Council	✓
12/13/21	Police	Recruitment and retention - incorporate new ways, ideas, and concepts to make dept more appealing to qualified candidates	Report to Council	✓
12/13/21	Police	Technology continues to advance and so do criminals. Continue to integrate technology to assist law enforcement	Report to Council	✓
12/13/21	Police	Continue to expand facility security systems and incorporate a command center software	Report to Council	✓
12/13/21	Fire	Continue to seek outside funding, grants or opportunities for updating equipment	Report to Council	✓
12/13/21	Emergency Operations	Remodel of City Hall to create an Emergency Operations Room	Report to Council	✓
12/13/21	Emergency Operations	Finish installation of second EOC	Report to Council	✓

STRATEGIC PLAN - ACCOUNTABILITY BENCHMARKS

MONTH	DEPT	GOAL	ACTION	
JAN 2022				
01/10/22	Finance	Create a street management master plan with funding options	Report new plan and options (Workshop)	
01/10/22	CDD/PW-Facilities/Parks	Complete Sidewalks from Grove Ln to Nicholas Ct	Bid Award, present to Council	
01/10/22	CDD/PW-Transportation	Develop "Plan-of-Action" for upgrading Waite St from Central to Southside Rd	Report to Council	
01/10/22	CDD/PW-Transportation	Update and refresh Exit 135 sign - complete construction	Report to Council	
FEB 2022				
02/14/22	CDD/PW-Facilities/Parks	Central Park Multi Use Staging area to be used for several annual events-Award Contract	Present to Council for contract award	
02/14/22	CDD/PW-Facilities/Parks	Inventory/inspect all city structural facilities/develop maint funding plan	Report to Council	
02/14/22	CDD/PW-Facilities/Parks	Ford's Pond Comm Park Improv. Proj. 1 (Phase 2) & Proj 2A/2B (Phase 2)	Construction bid award, present to Council	
02/14/22	Fire	Replace 1992 Pierce Ladder Truck pending Grant award	Report to Council	
MAR 2022				
APR 2022				
MAY 2022				
5/9/2022	CDD/PW-Wastewater	Wastewater Treatment Plant one-year performance report	Report to Council	
JUN 2022				
06/13/22	CDD/PW-Facilities/Parks	Central Park Multi Use Staging area to be used for several annual events-complete construction	Report to Council	
06/13/22	CDD/PW-Transportation	Purchase Asphalt Crack Sealing Machine	Report to Council	
06/13/22	CDD/PW-Wastewater	Initiate a new in-flow and infiltration prevention program	Report to Council	
JUL 2022				
AUG 2022				
08/08/22	CDD/PW-Water	Nonpareil WTP modernization improvements	Report to Council after completed	
SEP 2022				
09/12/22	CDD/PW-Facilities/Parks	Complete Sidewalks from Grove Ln to Nicholas Ct	Report to Council	
OCT 2022				
10/10/22	Finance	Long-term Budget forecast	Report to Council	
NOV 2022				
DEC 2022				
JAN 2023				
01/09/23	CDD/PW-Facilities/Parks	Ford's Pond Comm Park Improv. Proj. 1 (Phase 2) & Proj 2A/2B (Phase 2)	Completion - Report to Council	
MAY 2023				
5/8/2023	Admin	CBA Agreement - AFSCME	Bring to Council for decision	

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

Revised 12/7/21

PUBLIC NOTICE – CITY OF SUTHERLIN

CITY COUNCIL MEETING

The December 20, 2021, City of Sutherlin's City Council Meeting will begin at 7:00 p.m. in the 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.

Topic: Sutherlin City Council Meeting

Time: Dec 20, 2021 07:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/83142303501?pwd=a0x6NlN4K1dNclhuYzIBakdFdUgyQT09>

Meeting ID: 831 4230 3501

Passcode: 941309

One tap mobile

+12532158782,,83142303501#,,,,*941309# US (Tacoma)

Dial by your location

+1 253 215 8782 US (Tacoma)

Meeting ID: 831 4230 3501

Passcode: 941309

Find your local number: <https://us06web.zoom.us/j/kdpZBj80yy>

Diane Harris

From: Diane Harris
Sent: Tuesday, December 14, 2021 10:50 AM
To: Ashley KQEN News (ashley@bciradio.com); Dennis Nakata - KUGN; Douglas County Commissioner; Erica Welch; KEZI; KMTR; KPIC; KVAL; KYLE-KQUEN; Michael Salpino - KUGN; Register Guard; Roseburg Beacon; The News Review News Clerk
Subject: Public Meeting Notice - City of Sutherlin
Attachments: CC AGENDA DEC 20.21 Meeting.pdf; 12.20.21 Zoom Public Mtg Notice.pdf

Good morning,

Please see attached City Council Agenda and Zoom Meeting notice to be used as the City of Sutherlin's Public Meeting Notice.

Thank you,

Diane Harris, CMC

City Recorder/Human Resources Mgr
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(541) 459-2857 ext 207
d.harris@ci.sutherlin.or.us