

*"Making a difference through excellence of service"*



## **CITY OF WARRENTON**

### **AGENDA**

CITY COMMISSION OF THE CITY OF WARRENTON  
REGULAR MEETING

January 23, 2018 – 6:00 P.M.

Warrenton City Commission Chambers – 225 South Main Avenue  
Warrenton, OR 97146

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1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **COMMISSIONER COMMENTS/COMMUNICATIONS/AGENDA ADDITIONS**
5. **CONSENT CALENDAR**

- A. Fire Dept. Activity Report – Oct. 2017
- B. Fire Dept. Activity Report – Nov. 2017
- C. Fire Dept. Activity Report – Dec. 2017
- D. Police Dept. Monthly Statistics – Dec. 2017
- E. Police Dept. 2017 Statistics Review
- F. Monthly Finance Report - Dec. 2017
- G. Audit Report – FYE June 2017

6. **PUBLIC COMMENT (AGENDA ITEMS)**

At this time, anyone wishing to address the City Commission concerning items on the Agenda may do so. The person addressing the Commission will, when recognized, give his or her name and address for the record. All remarks will be addressed to the whole City Commission and limited to 3 minutes per person. The Commission reserves the right to delay any action, if required, until such time as they are fully informed on a matter.

7. **BUSINESS ITEMS**

- A. Consideration of Second Reading of Ordinance No. 1216; Amending Local Street and Park Standards
- B. Consideration of First Reading of Ordinance No. 1217; Street Vacation of Undeveloped Street Rights-of-Way in the plats of Warrenton Park and Portsmouth Addition to Warrenton, in Warrenton, Oregon
- C. Consideration of General Employees Collective Bargaining Agreement

**8. PUBLIC COMMENT**

At this time, anyone wishing to address the City Commission concerning items of interest not already on the Agenda may do so. The person addressing the Commission will, when recognized, give his or her name and address for the record. All remarks will be addressed to the whole City Commission and limited to 3 minutes per person. The Commission reserves the right to delay any action, if required, until such time as they are fully informed on a matter.

**9. EXECUTIVE SESSION**

**10. ADJOURNMENT**

**Warrenton City Hall is accessible to the disabled. An interpreter for the hearing impaired may be requested under the terms of ORS 192.630 by contacting Dawne Shaw, Deputy City Recorder, at 503-861-2233 at least 48 hours in advance of the meeting so appropriate assistance can be provided.**



# Warrenton Fire Department

P.O. Box 250 Warrenton, OR 97146-0250 503/861-2494 Fax 503/861-2351

5-A

## STAFF REPORT

**Date:** January 23, 2018  
**To:** The Members of the Warrenton City Commission  
Linda Engbretson, City Manager  
**From:** Tim Demers, Fire Chief  
**Re:** Fire Department Activity Report for **October, 2017**

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### **October, 2017 Emergency Response Activity -**

The Warrenton Fire Department responded to 115 emergency calls during the month of October, 2017. The department responded to 79 EMS (emergency medical service) calls, 11 motor vehicle crashes, and 22 service calls. There were 3 reportable fires during the month. Service calls include alarm activations with no fire, false alarms, hazardous conditions, good intent calls, public assists, etc. An average of 5 volunteers responded per call throughout the month. During the month of October, 60.9%, or 70 of the calls were during daytime hours between 6:00 a.m. and 6:00 p.m. The other 45 calls, or 39.1%, were during the night, between the hours of 6:00 p.m. and 6:00 a.m.

### **October, 2017 Training –**

The department held 4 regularly scheduled Wednesday evening training sessions during the month of October, with an average attendance of 21 volunteers per drill. The department offered 8 additional training sessions during the month of October.

#### **4<sup>th</sup> EMS – Patient care, on-scene professionalism**

Instructor: Chris Peck

#### **EMS - S.O.A.P. charting**

Instructor: Chief Demers

#### **Aerial ladder maintenance work party**

Instructor: Capt. Shepherd

#### ***Association business meeting***

#### **11<sup>th</sup> Aerial ladder training – Rescue (Seaside Fire Department)**

Instructors: Company Officers

**Recruit Academy – Salvage & Overhaul, Astoria F. D.**

Instructor: Paul Gascoigne, AFD

**Annual SCBA skill evaluations**

Instructors: Capt. Shepherd

**18<sup>th</sup> Aerial ladder training – Rescue (Seaside Fire Department)**

Instructors: Company Officers

**Annual SCBA skill evaluations**

Instructor: TBD

**25<sup>th</sup> Aerial ladder training**

Instructors: Company Officers

**Annual SCBA skill evaluations**

Instructors: TBD

**Support Firefighter task evaluations**

Instructor: Capt. Shepherd





# Warrenton Fire Department

P.O. Box 250 Warrenton, OR 97146-0250 503/861-2494 Fax 503/861-2351

5-B

## STAFF REPORT

**Date:** January 23, 2018  
**To:** The Members of the Warrenton City Commission  
Linda Engbretson, City Manager  
**From:** Tim Demers, Fire Chief  
**Re:** Fire Department Activity Report for **November, 2017**

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### **November, 2017 Emergency Response Activity -**

The Warrenton Fire Department responded to 89 emergency calls during the month of November, 2017. The department responded to 58 EMS (emergency medical service) calls, 12 motor vehicle crashes, and 13 service calls. There were 6 reportable fires during the month. Service calls include alarm activations with no fire, false alarms, hazardous conditions, good intent calls, public assists, etc. An average of 5 volunteers responded per call throughout the month. During the month of November, 59.6%, or 53 of the calls were during daytime hours between 6:00 a.m. and 6:00 p.m. The other 36 calls, or 40.4%, were during the night, between the hours of 6:00 p.m. and 6:00 a.m.

### **November, 2017 Training –**

The department held 4 regularly scheduled Wednesday evening training sessions during the month of November, with an average attendance of 20 volunteers per drill. The department offered 2 additional training sessions during the month of November.

#### **1st EMS – Trauma review**

Instructor: Chris Peck

#### **8<sup>th</sup> Aerial ladder training – Rescue, Seaside training complex**

Instructor: Capt. Penno

#### **Fall Firefighter skill competition**

Instructor: Capt. Shepherd

**15<sup>th</sup> Aerial ladder training - Roof operations, Public Works yard**

Instructor: Capt. Shepherd

**Power saw operations**

Instructor: FF Watson

**22<sup>nd</sup> Apparatus maintenance checks, annual SCBA evaluations**

Instructor: Capt. Penno, FF Hansen

**29<sup>th</sup> Aerial ladder training – Roof operations, 79 NE Skipanon Dr.**

Instructors: Capt. Penno, Capt. Nyberg

**Fire attack and building search evolutions**

Instructors: Capt. Shepherd



# Warrenton Fire Department

P.O. Box 250 Warrenton, OR 97146-0250 503/861-2494 Fax 503/861-2351

5-C

## STAFF REPORT

**Date:** January 23, 2018  
**To:** The Members of the Warrenton City Commission  
Linda Engbretson, City Manager  
**From:** Tim Demers, Fire Chief  
**Re:** Fire Department Activity Report for **December, 2017**

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### **December, 2017 Emergency Response Activity -**

The Warrenton Fire Department responded to 97 emergency calls during the month of December, 2017. The department responded to 73 EMS (emergency medical service) calls, 10 motor vehicle crashes, and 11 service calls. There were 3 reportable fires during the month. Service calls include alarm activations with no fire, false alarms, hazardous conditions, good intent calls, public assists, etc. An average of 6 volunteers responded per call throughout the month. During the month of December, 56.7%, or 55 of the calls were during daytime hours between 6:00 a.m. and 6:00 p.m. The other 42 calls, or 43.3%, were during the night, between the hours of 6:00 p.m. and 6:00 a.m.

### **December, 2017 Training –**

The department held 3 regularly scheduled Wednesday evening training sessions during the month of December, with an average attendance of 17 volunteers per drill. The department offered 2 additional training sessions during the month of December.

### **6th EMS – Radiological emergencies**

Instructor: Chris Peck

### **Association business meeting**

### **13<sup>th</sup> Pre-incident facility tour – Warrenton Grade School**

Instructors; Chief Demers, Tyler McGrorty

**20<sup>th</sup> Annual Christmas food drive parcel distribution**

Instructor: Capt. Penno

**27<sup>th</sup> Upcoming fire and EMS training discussion**

Instructor: Capt. Shepherd

**Viewing of the fire documentary “Burn”**



5-D



# WARRENTON POLICE DEPARTMENT

## DECEMBER 2017 STATISTICS

JANUARY 23, 2018



December Statistics (% changes are compared to 2017)							
Category	2017	2016	%Chg	2015	%Chg	2014	%Chg
Calls for Service	<b>663</b>	622	<b>7%</b>	709	<b>-6%</b>	671	<b>-1%</b>
Incident Reports	<b>115</b>	143	<b>-20%</b>	163	<b>-29%</b>	124	<b>-7%</b>
Arrests/Citations	<b>72</b>	85	<b>-15%</b>	81	<b>-11%</b>	98	<b>-27%</b>
Traffic Events	<b>192</b>	157	<b>22%</b>	221	<b>-13%</b>	208	<b>-8%</b>
DUII Calls	<b>4</b>	5	<b>-20%</b>	4	<b>0%</b>	1	<b>300%</b>
Traffic Accidents	<b>21</b>	24	<b>-13%</b>	30	<b>-30%</b>	22	<b>-5%</b>
Property Crimes	<b>76</b>	65	<b>17%</b>	60	<b>27%</b>	53	<b>43%</b>
Disturbances	<b>51</b>	84	<b>-39%</b>	61	<b>-16%</b>	46	<b>11%</b>
Drug/Narcotics Calls	<b>4</b>	8	<b>-50%</b>	8	<b>-50%</b>	2	<b>100%</b>
Animal Complaints	<b>16</b>	13	<b>23%</b>	18	<b>-11%</b>	14	<b>14%</b>
Officer O.T.	<b>152</b>	314	<b>-52%</b>	93.75	<b>62%</b>	76.75	<b>98%</b>
Reserve Hours	<b>53.5</b>	46.5	<b>15%</b>	57	<b>-6%</b>	59.5	<b>-10%</b>

Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Calls for Service	571	524	638	553	679	666	768	770	756
Incident Reports	138	135	217	150	179	181	178	165	173
Arrests/Citations	58	70	88	117	78	94	96	118	114
Traffic Events	185	144	174	128	153	173	183	254	205
DUII Calls	2	8	4	4	5	5	5	4	3
Traffic Accidents	13	17	20	22	14	15	17	16	24
Property Crimes	50	57	46	35	66	64	118	77	71
Disturbances	49	47	68	61	55	72	99	79	80
Drug/Narcotics Calls	6	6	4	5	5	8	9	6	4
Animal Complaints	15	9	19	24	31	30	28	43	34
Officer O.T.	104	136.5	214.25	284.25	282	217	119.5	143	209.75
Reserve Hours	34.5	28.5	16.5	31	30	0	14	16	19



Oct	Nov	Dec	2017 YTD	2017 Estimate	2016	2017 v 2016	2015	2017 v. 2015	2014	2017 v. 2014
671	697	663	7956	7956	7982	0%	8239	-3%	8317	-4%
187	210	115	2028	2028	1739	17%	1749	16%	1515	34%
105	88	72	1098	1098	961	14%	925	19%	994	10%
170	133	192	2094	2094	2407	-13%	2353	-11%	2220	-6%
6	2	4	52	52	37	41%	15	247%	14	271%
24	23	21	226	226	219	3%	291	-22%	408	-45%
89	153	76	902	902	850	6%	805	12%	1374	-34%
57	60	51	778	778	855	-9%	781	0%	1359	-43%
5	17	4	79	79	73	8%	42	88%	80	-1%
32	20	16	301	301	294	2%	311	-3%	318	-5%
258	280	152	2400	2400	1789	34%	1249	92%	997.5	141%
19.5	27.5	53.5	290	290	577	-50%	901.75	-68%	804.75	-64%

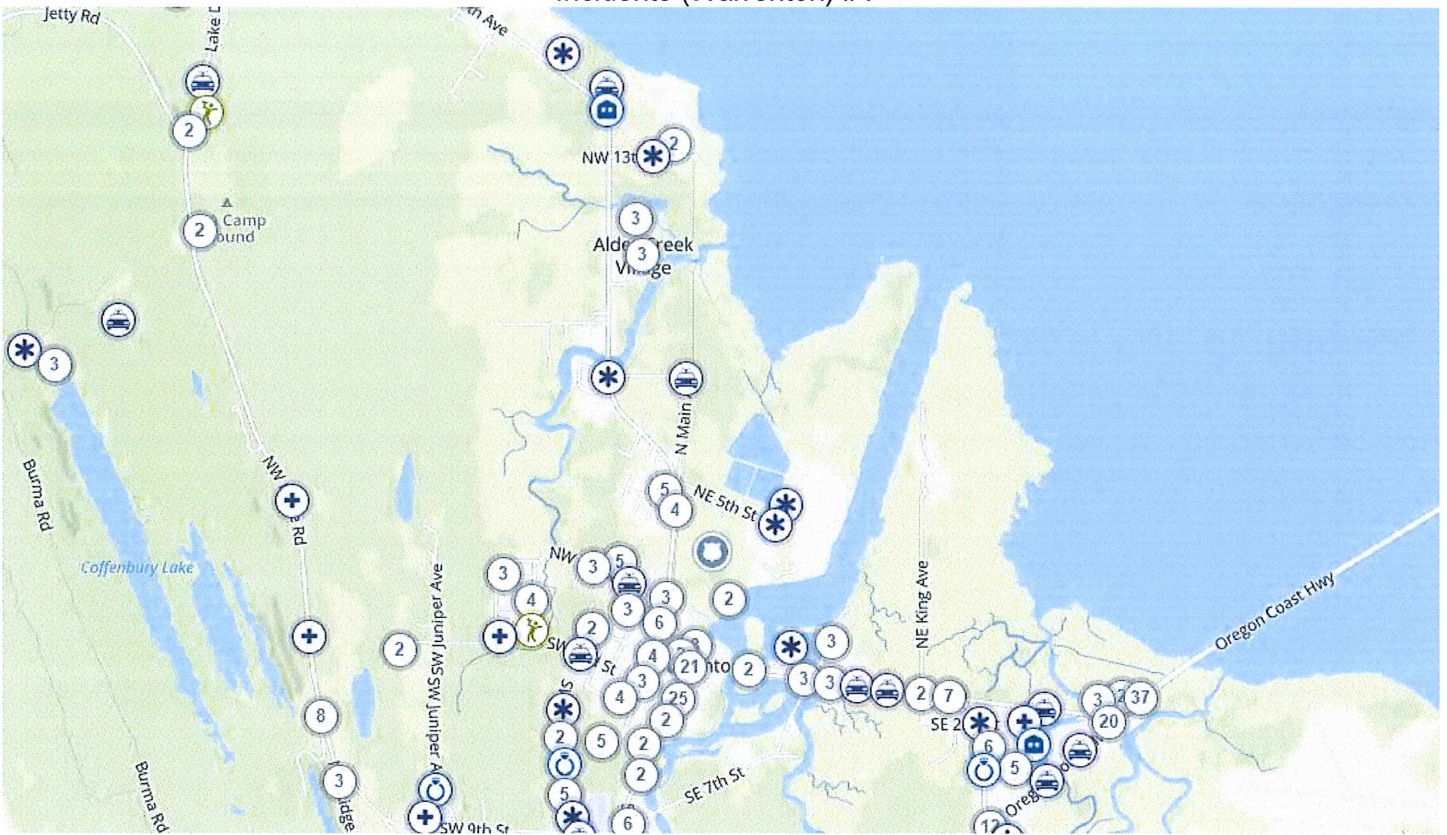
The following is a graphic representation of statistics for December 2017 using our [CrimeReports.com](http://CrimeReports.com) membership. If you go to the website you can zoom in on each incident for more details.

- Violent**
  - Assault
  - Assault with Deadly Weapon
  - Homicide
  - Kidnapping
  - Robbery
  - Other Sexual Offense
  - Sexual Assault
  - Sexual Offense
- Property**
  - Breaking & Entering
  - Property Crime
  - Property Crime Commercial
  - Property Crime Residential
  - Theft
  - Theft from Vehicle
  - Theft of Vehicle
- Quality Of Life**
  - Disorder
  - Quality of Life
  - Drugs
  - Liquor
- 911 & Other**
  - Alarm
  - Arson
  - Death
  - Family Offense
  - Missing Person
  - Other
  - Pedestrian Stop
  - Vehicle Recovery
- Vehicle Stop
- Weapons Offense
- Community Policing
- Proactive Policing
- Emergency
- Fire
- Traffic





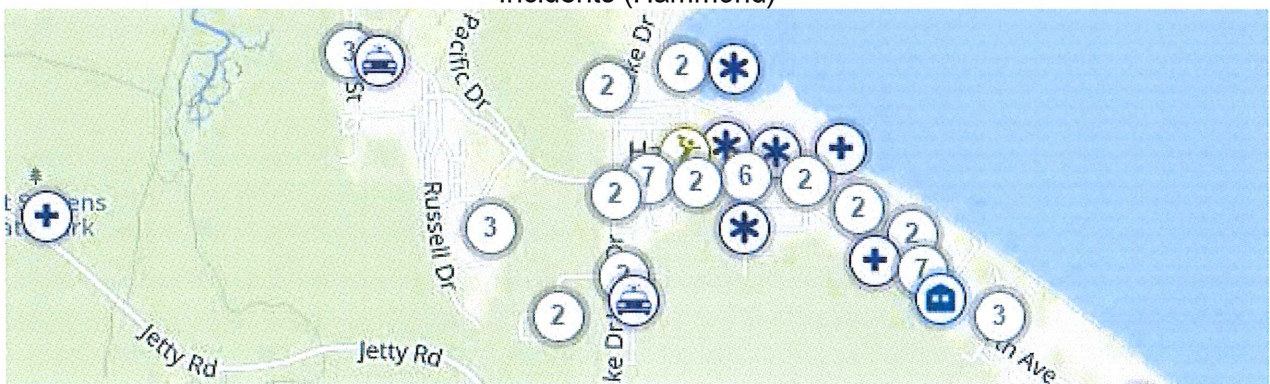
Incidents (Warrenton) #1



Incidents (Warrenton) #2



Incidents (Hammond)





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# WARRENTON POLICE DEPARTMENT

## 2017 STATISTICS REVIEW

JANUARY 23, 2018



The following is a 4-year statistical comparison for the WPD.

Some statistics of note are as follows:

- Calls for service went down again to 7,956, down 1% over 2016 (7,982).

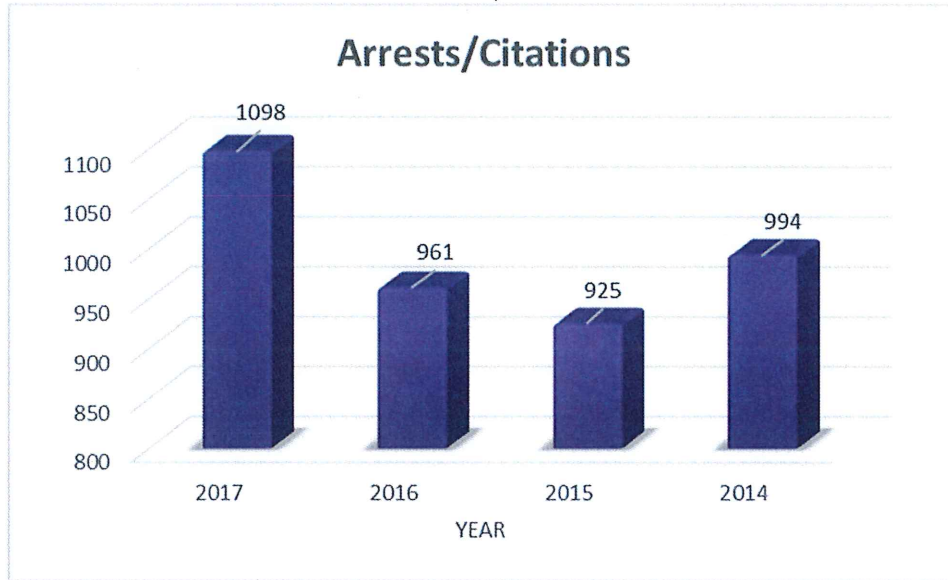


- Incident reports increased 16% from 1,739 to 2,028.

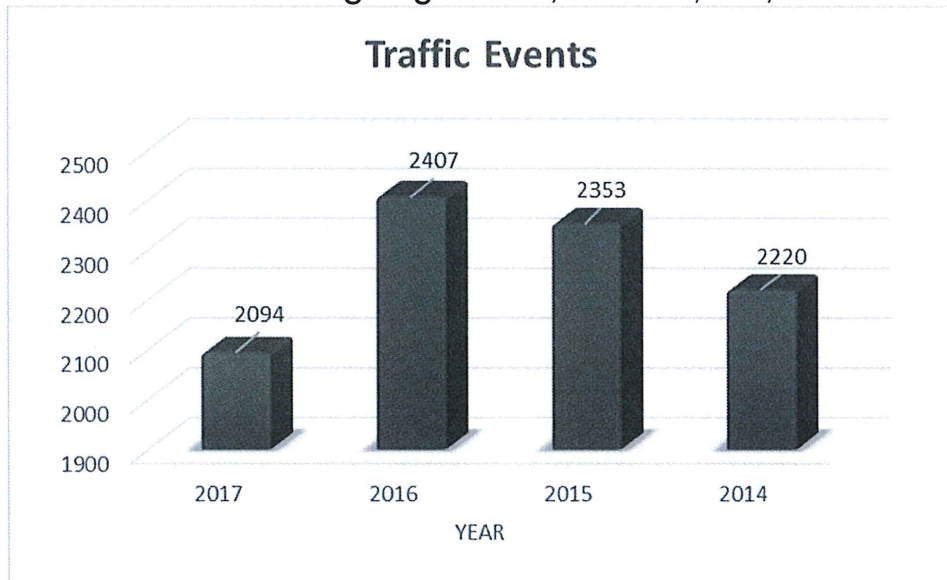




- Even with calls for service showing a decrease, there was an increase in Arrests/Citations of 14% from 961 to 1,098.

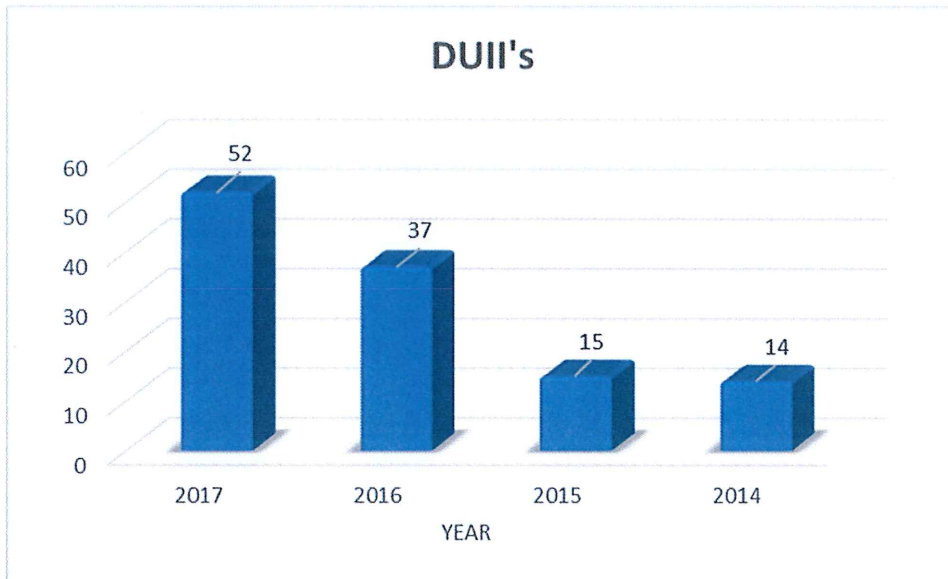


- Traffic Events had a decrease going from 2,407 to 2,094, down 15%.

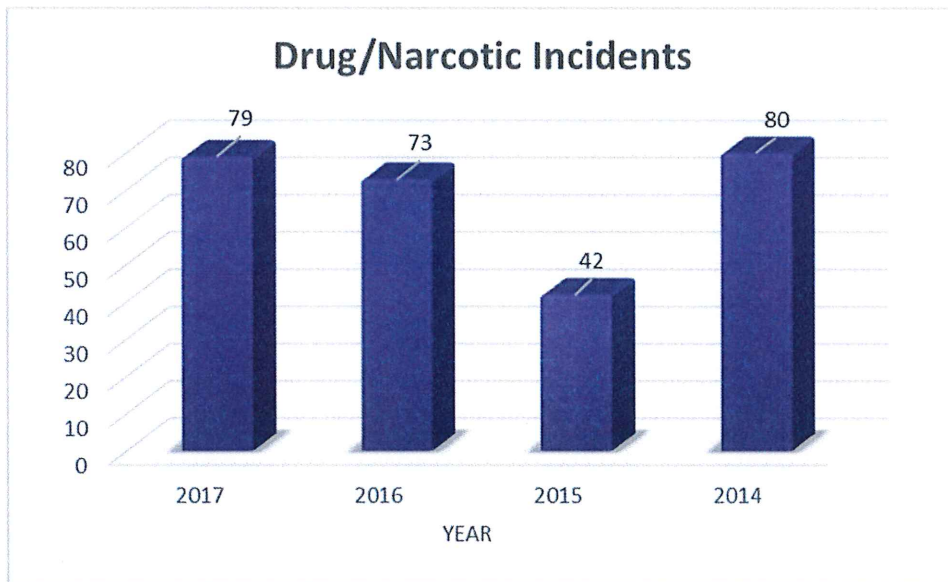


The decrease in Traffic Events stems from officers working more incidents/cases and not having time to do more traffic. There is also a direct correlation in the commitment to patrolling for DUI's and the fact that a DUI case takes several hours and prohibits the officers from running more traffic during the investigation and subsequent report writing.

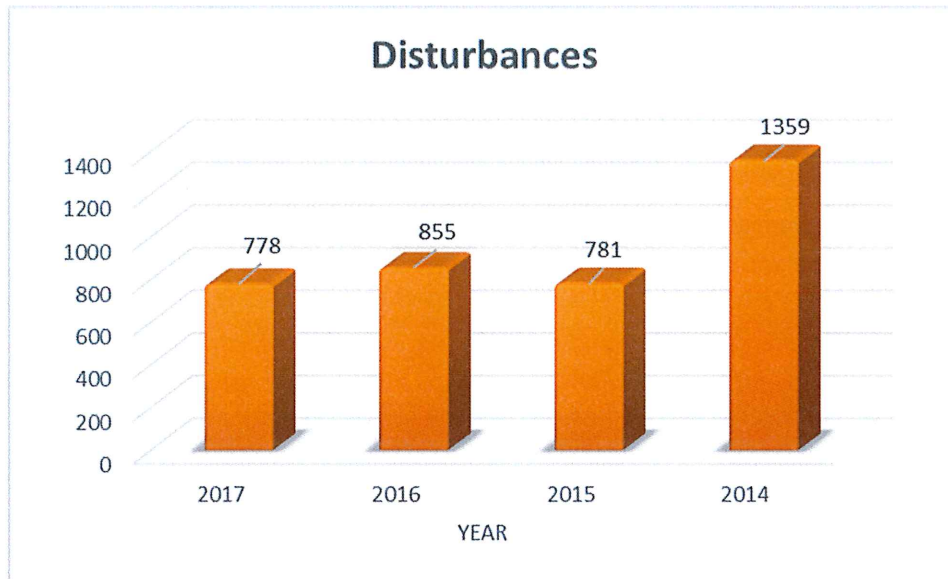
- DUI events increased again, this time 40%, 37 to 51.... Officers followed through on being more proactive again with DUI events in 2017.



- Drug/Narcotics Incidents were up % going from 73 to 79... Numbers were showing an increase the 2<sup>nd</sup> half of the year as a result of K9 "Gabe" and his work.



- Disturbances decreased last year by 9% (855 to 778).



- Property Crimes end up slightly by 6% (850 to 902) due to the rash of theft from vehicles in November. A suspect was arrested and is being charged with several of those thefts and a couple of burglaries as well.

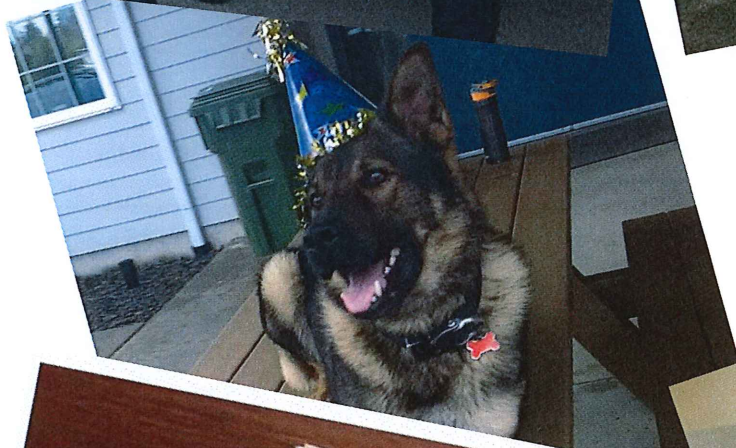
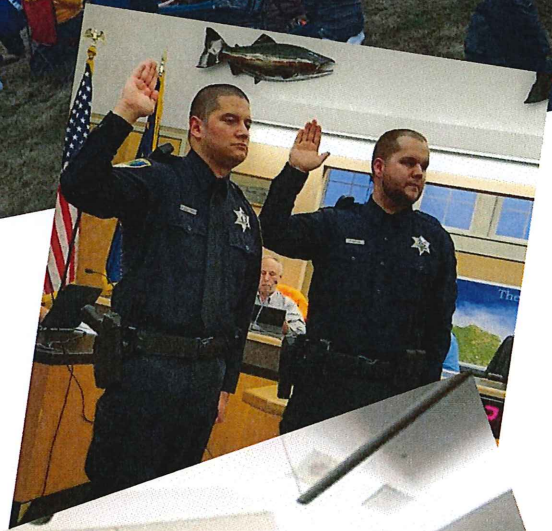
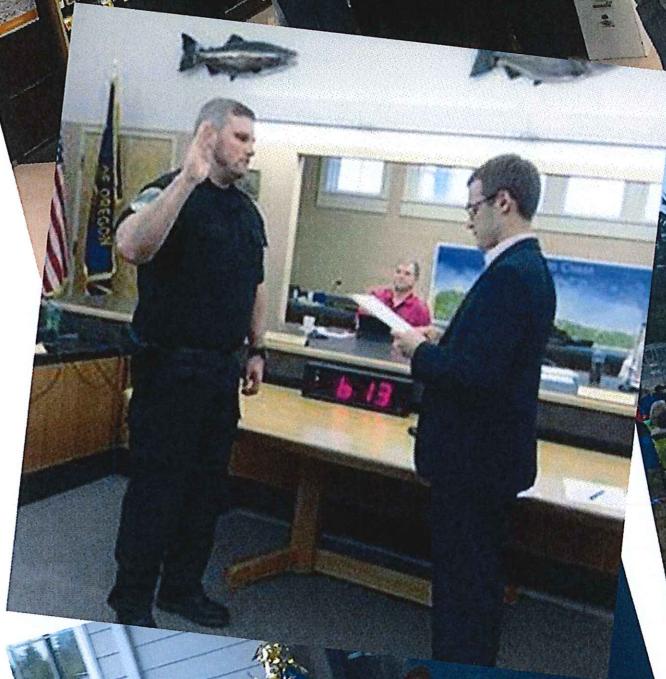


Over all statistics saw the following increases:

- **2.37% increase** in 2017 over 2016
- **2.39% increase** in 2017 over 2015
- **2.95% increase** in 2017 over 2014



Here are some photos taken in 2017 events.





**Volume 11, Issue 6**

**Monthly Finance Report**  
**December 2017**

**January 23, 2018**

**Economic Indicators**

	Current	1 year ago
◆ Interest Rates:		
LGIP :	1.62%	1.03%
Columbia Bank:	n/a	.05%
◆ Prime Rate:	4.50%	3.75%
◆ CPI-U change:	2.1%	2.1%
◆ Unemployment Rates:		
Clatsop County:	not avail.	4.3%
Oregon:	4.1%	4.5%
U.S.:	4.1%	4.7%

**Department Statistics**

◆ Utility Bills mailed	3,314
◆ New Service Connections	0
◆ Reminder Letters	397
◆ Door Hangers	69
◆ Water Service Discontinued	14
◆ Walk-in counter payments	629
◆ Mail payments	1,233
◆ Auto Pay Customers/pmts	576
◆ Online (Web) payments	631
◆ Phone payments	110

**Current and Pending Projects**

- ◆ 2018-2019 Budget Preparation
- ◆ 2019-2024 Capital Improvement Program
- ◆ Year end payroll tax and ACA reporting

**Financial Narrative as of December 31, 2017**

**Note:** Revenues and expenses should track at 6/12 or 50% of the budget.

**General Fund:** Year to date revenues amount to \$2,323,031, which is 60.1% of the budget, compared to the prior year amount of \$2,239,595, which was 61% of the budget and are up by \$83,436. Increases are shown in property taxes, transient room tax, state revenue sharing, community development fees, police charges, leases, interest and miscellaneous.

Expenses year to date amount to \$2,041,057, which is 46.7% of the budget, compared to the prior year amount of \$2,006,803, which was 48.2% of the budget. All departments are tracking at or under budget except the Admin/Comm/Fin department which has large expenditures at the beginning of the year. Year to date transfers of \$120,949 were made to other funds as budgeted.

**WBA:** Business license revenue amounts to \$49,440 compared to \$47,865 last year at this time, a difference of \$1,575. The number of business licenses issued year to date is 524, compared to 576 at this time last year.

**Building Department:** Permit revenues this month amount to \$19,801 and \$144,768 year to date, which is 83.2% of the budgeted amount. Last year to date permit revenue was \$114,693.

**State Tax Street:** State gas taxes received this month amount to \$25,366 for fuel sold in November and \$135,056 year to date. City gas taxes received this month amount to \$28,983 for fuel sold in October and are \$133,397 year to date.

**Warrenton Marina:** Total revenues to date are \$428,019, 80.4% of the budgeted amount, compared to the prior year amount of \$423,638 and was 86.6% of the budgeted amount. There is \$49,821 in moorage receivables outstanding.

**Hammond Marina:** Total revenues to date are \$283,513, 98.5% of the budgeted amount, compared to the prior year amount of \$265,173 and was 97.6% of the budgeted amount. There is \$5,382 in moorage receivables outstanding.

Of the total outstanding receivables \$35,343 is over 90 days old.

**Water Fund:** Utility fees charged this month are \$107,249 and \$64,662 and \$942,652 and \$758,861 year to date, for in-city and out-city respectively and totals \$1,701,513 and is 61.2% of the budget. Last year at this time year to date fees were \$852,607 and \$669,440, for in-city and out-city, respectively, and totaled \$1,522,047.

**Sewer Fund:** Utility fees charged this month are \$168,921 and \$1,082,695 year to date, which is 53.4% of the budget.

Last year at this time year to date fees were \$1,001,620. Shoreline Sanitary Fees year to date are \$60,508. Septage revenue year to date is \$154,270 and is 49% of the budget. Total revenues year to date are \$1,728,170 compared to \$1,323,583 at this time last year. Revenues include loan proceeds received this year for the Core Conveyance Project.

**Storm Sewer:** Utility Fees (20% of sewer fees) this month are \$33,779 and \$216,532 year to date and is 53.4% of the budget. Last year to date revenues were \$200,264 which was 53.1% of the budget.

**Sanitation Fund:** Service fees charged this month for garbage and recycling were \$73,119 and \$15,257, and \$458,301 and \$91,198, year to date, and are 51.5% and 49.4% of the budget, respectively.

**Library:** Year to date property taxes received amount to \$46,872 and is 95.8% of the budgeted amount. Last year at this time \$43,952 was received and was 92.8% of the budgeted amount. A Ready to Read Grant in the amount of \$1,000 was received this month.

**Community Center:** Rental revenue to date is \$7,749 and represents 62% of the budget. Last year at this time rental revenue was \$4,759 and was 56.6% of the budget. We have one long term renter and fund raising revenues have increased thanks to our hard-working advisory board's efforts and our supportive community.



**Financial data as of December 2017**

	General Fund			
	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	1,799,921	1,306,042	790,000	165.32
Plus: Revenues	168,360	2,323,031	3,864,488	60.11
Less: Expenditures				
Municipal Court	7,422	53,527	131,566	40.68
Admin/Comm/Fin(ACF)	64,861	571,565	1,094,696	52.21
Planning	10,397	72,439	185,068	39.14
Police	165,845	816,301	1,823,175	44.77
Fire	124,405	378,353	852,775	44.37
Parks	7,335	54,294	163,825	33.14
Transfers	-	94,578	120,949	78.20
Total Expenditures	380,265	2,041,057	4,372,054	46.68
Ending Fund Balance	1,588,016	1,588,016	282,434	562.26

(see details of revenue, page 4)

	WBA			
	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	83,593	103,694	108,000	96.01
Plus: Revenues	692	50,233	48,850	102.83
Less: Expenditures	6,771	76,413	151,206	50.54
Ending Fund Balance	77,514	77,514	5,644	1,373.39

	Building Department			
	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	305,408	293,156	270,000	108.58
Plus: Revenues	20,081	146,690	174,814	83.91
Less: Expenditures	8,230	122,587	249,563	49.12
Ending Fund Balance	317,259	317,259	195,251	162.49

	State Tax Street			
	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	1,456,881	1,384,545	1,000,000	138.45
Plus: Revenues	56,191	279,010	638,132	43.72
Less: Expenditures	29,832	180,315	1,445,923	12.47
Ending Fund Balance	1,483,240	1,483,240	192,209	771.68

	Warrenton Marina			
	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	392,161	188,461	190,000	99.19
Plus: Revenues	21,395	428,019	532,175	80.43
Less: Expenditures	38,879	241,803	630,947	38.32
Ending Fund Balance	374,677	374,677	91,228	410.70



**Financial data as of December 2017, continued**

	Hammond Marina				Water Fund			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	251,366	140,032	140,000	100.02	2,570,074	1,841,311	1,000,000	184.13
Plus: Revenues	5,914	283,513	287,801	98.51	179,400	1,781,567	5,652,800	31.52
Less: Expenditures	21,112	187,377	408,324	45.89	742,628	1,616,032	6,033,428	26.78
Ending Fund Balance	<u>236,168</u>	<u>236,168</u>	<u>19,477</u>	<u>1,212.55</u>	<u>2,006,846</u>	<u>2,006,846</u>	<u>619,372</u>	<u>324.01</u>

	Sewer Fund				Storm Sewer			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	2,164,916	1,664,745	1,500,000	110.98	427,600	330,759	290,000	114.05
Plus: Revenues	200,990	1,728,170	3,079,128	56.13	34,025	218,785	406,000	53.89
Less: Expenditures	168,131	1,195,140	3,418,202	34.96	9,669	97,588	539,327	18.09
Ending Fund Balance	<u>2,197,775</u>	<u>2,197,775</u>	<u>1,160,926</u>	<u>189.31</u>	<u>451,956</u>	<u>451,956</u>	<u>156,673</u>	<u>288.47</u>

	Sanitation Fund				Community Center			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	405,341	371,081	320,000	115.96	10,547	10,436	7,800	133.79
Plus: Revenues	88,973	554,531	1,077,000	51.49	2,604	10,459	15,830	66.07
Less: Expenditures	47,907	479,205	1,218,610	39.32	2,015	9,759	22,550	43.28
Ending Fund Balance	<u>446,407</u>	<u>446,407</u>	<u>178,390</u>	<u>250.24</u>	<u>11,136</u>	<u>11,136</u>	<u>1,080</u>	<u>-</u>

	Library				Warrenton Urban Renewal Agency Capital Projects Fund			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	56,139	41,731	39,000	107.00	319,292	405,798	266,299	152.38
Plus: Revenues	1,714	55,359	86,793	63.78	380	2,600	1,922,122	0.14
Less: Expenditures	6,312	45,549	90,599	50.28	13,020	101,746	2,188,421	4.65
Ending Fund Balance	<u>51,541</u>	<u>51,541</u>	<u>35,194</u>	<u>146.45</u>	<u>306,652</u>	<u>306,652</u>	<u>-</u>	<u>-</u>



## Financial data as of December 2017, continued

## (\$) Cash Balances as of December, 2017

General Fund	1,744,041	Warrenton Marina	332,224	Storm Sewer	403,717
WBA	78,414	Hammond Marina	232,469	Sanitation Fund	323,389
Building Department	320,664	Water Fund	1,046,321	Community Center	12,771
State Tax Street	1,485,207	Sewer Fund	1,854,891	Library	52,468

## Warrenton Urban Renewal Agency

Capital Projects	318,403
Debt Service	1,417,374

General Fund Revenues	Collection Frequency	2017-2018 Budget	Actual as a	Collections/Accruals		(over) under budget
			% of Current Budget	Year to date		
				December 2017	December 2016	
Property taxes-current	AP	904,940	95.39	863,180	814,077	41,760
Property taxes-prior	AP	35,000	52.74	18,459	16,233	16,541
County land sales	A	-	0.00	-	-	-
Franchise fees	MAQ	543,000	35.00	190,065	234,831	352,935
COW - franchise fees	M	136,414	54.52	74,379	69,081	62,035
Transient room tax	Q	508,402	55.30	281,135	276,348	227,267
Liquor licenses	A	650	19.23	125	25	525
State revenue sharing	MQ	130,267	51.66	67,290	45,028	62,977
Municipal court	M	119,400	40.30	48,118	51,004	71,282
Community development fees	I	35,000	42.20	14,769	14,675	20,231
Police charges	I	8,750	501.45	43,877	4,085	(35,127)
Fire charges	SM	95,240	0.00	-	-	95,240
Park charges	I	-	0.00	125	250	
Miscellaneous	I	1,200	958.58	11,503	9,381	(10,303)
Interest	M	10,000	71.62	7,162	4,535	2,838
Lease receipts	M	209,529	50.42	105,650	105,461	103,879
<b>Sub-total</b>		<b>2,737,792</b>	<b>63.04</b>	<b>1,725,837</b>	<b>1,645,014</b>	<b>1,011,955</b>
Transfers from other funds	I	32,000	80.09	25,629	-	6,371
Overhead	M	1,094,696	52.21	571,565	594,581	523,131
<b>Total revenues</b>		<b>3,864,488</b>	<b>60.11</b>	<b>2,323,031</b>	<b>2,239,595</b>	<b>1,541,457</b>

M - monthly

Q - quarterly

SM - Semi-annual in November then monthly

AP - As paid by taxpayer beginning in November

MAQ - Century Link & NW Nat-quarterly, Charter annually in March,  
all others monthly

S - semi-annual

I - intermittently

MQ - Monthly, cigarette and liquor and Quarterly, revenue sharing

R - renewals due in July and new licenses intermittently

A - annual

Note: Budget columns do not include contingencies as a separate line item but are included in the ending fund balance. Unless the Commission authorizes the use of contingency, these amounts should roll over to the following year beginning fund balance. For budget details, please refer to the City of Warrenton Adopted Budget for fiscal year ending June 30, 2018. Budget amounts reflect budget adjustments approved by the Commission during the fiscal year. Information and data presented in this report is unaudited.



*“Making a difference through excellence of service”*



# CITY OF WARRENTON

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2017

WITH

INDEPENDENT AUDITOR'S REPORT



**CITY OF WARRENTON, OREGON**  
FINANCIAL STATEMENTS AND SUPPLEMENTAL  
INFORMATION  
FOR THE YEAR ENDED June 30, 2017  
WITH  
INDEPENDENT AUDITOR'S REPORT



**CITY OF WARRENTON, OREGON**

Financial Statements and Supplemental Information

For the Year Ended June 30, 2017

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**CITY OF WARRENTON**



INTRODUCTORY SECTION

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**

**CITY OF WARRENTON, OREGON**

List of Elected and Appointed Officials

June 30, 2017

**ELECTED OFFICIALS - CITY COMMISSION**

Mayor	Henry Balensifer III
Position No. 1	Pam Ackley
Position No. 2	Mark Baldwin
Position No. 3	Tom M. Dyer
Position No. 4	Rick Newton

**APPOINTED OFFICIALS**

City Manager	Linda Engbretson
Deputy City Recorder	Dawne Shaw
City Attorney	Beery, Elsner & Hammond

**Mailing Address**

PO Box 250  
Warrenton, Oregon 97146

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**CITY OF WARRENTON**

FINANCIAL SECTION

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**



1976 Garden Ave.  
Eugene, OR 97403  
541.342.5161  
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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission  
City of Warrenton, Oregon

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenton, Oregon ("City") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's 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.

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity's 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 entity's 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenton, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the major governmental funds 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, the schedule of proportionate share of the net pension liability, and the schedule of pension contributions 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 required supplementary information 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other supplemental information are the responsibility of management and was derived from and relates 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 combining and individual fund financial statements and other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section 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.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 20, 2017 on our consideration of the City of Warrenton's 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.

Isler CPA

By:

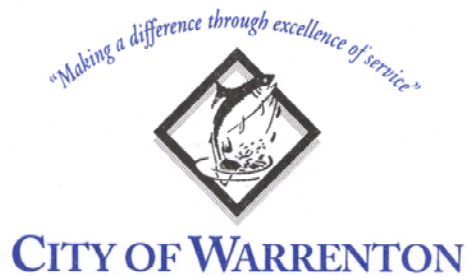


Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 20, 2017





## **Management's Discussion and Analysis**

As management of the City of Warrenton, Oregon, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our annual financial report.

### **Financial Highlights**

- The City's total assets and deferred outflows at June 30, 2017 were \$60,583,018.
- The City's total liabilities and deferred inflows at June 30, 2017 were \$24,141,735.
- The net position of the City at June 30, 2017 was \$36,441,283. Of this amount, \$2,475,296 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2017, the City's governmental funds reported combined ending fund balances of \$6,159,053.
- At the end of the fiscal year, the City's total combined governmental funds had a restricted fund balance of \$4,455,820, a committed fund balance of \$104,146, an assigned fund balance of \$273,891, and an unassigned fund balance of \$1,306,042.
- The General Fund's unassigned fund balance is \$1,306,042 at the end of the current fiscal year, or 34.8% of General Fund expenditures and transfers out.

### **Overview of Financial Statements**

This discussion and analysis provided here are intended to serve as an introduction to the City's basic 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**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 a private-sector business.

The Statement of Net Position presents financial information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in 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 government'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, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). 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
- Fire and emergency medical services
- Police
- Planning and development
- Library and culture
- Public works

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

- Water utilities
- Sewer utilities
- Sanitation utilities
- Marinas

The government-wide financial statements can be found in the basic financial statements as listed in the table of contents.

**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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of 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 financing 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 the 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 financing 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.

The City of Warrenton maintains 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 the General Fund, State Tax Street Fund, and the Warrenton Urban Renewal Agency Capital Projects Fund, which are considered to be major funds. Data from the remaining governmental funds (nonmajor governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Warrenton adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. To demonstrate compliance, budgetary comparison statements for all of the governmental funds have been prepared and can be found in the basic financial statements and supplemental information as listed in the table of contents.

The basic governmental fund financial statements and respective reconciliations can also be found in the basic financial statements as listed in the table of contents.

**Proprietary funds.** Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City of Warrenton maintains two types of proprietary funds: enterprise and internal service funds. The City uses enterprise funds to account for its water and sewer utilities, sanitation utility, and marinas. The City uses an internal service fund to account for engineering services provided to other departments/funds within the City. The internal service fund activity is included with the business-type activities on the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Sanitation utilities, all of which are considered to be major funds of the City of Warrenton. The Marina funds are considered to be nonmajor funds.

The City also adopts an annual appropriated budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise funds as supplemental information, as listed in the table of contents. The proprietary fund financial statements can also be found in the basic financial statements as listed in the table of contents.

**Notes to the basic financial statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in the basic financial statements as listed in the table of contents.

**Required Supplementary Information.** Information regarding the City's share of the net pension liability and pension contributions can be found in the required supplementary information as listed in the table of contents.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$36,441,283 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, 81.2%, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is 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.

An additional portion of the City's net position, 12.0%, represents resources that are subject to external restrictions on how they may be used. The remaining portion represents 6.8% of total net position, and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate business-type activities. The governmental activities category, unrestricted, is reported as negative \$4,274,151. The negative balance in unrestricted net position is a result of the City issuing general obligation bonded debt for the Wastewater Treatment Facility (an asset in the Sewer Enterprise). The debt reduces unrestricted net position in the governmental activities column by \$4,539,680 while the related capital asset increases net investment in capital assets for business-type activities. In essence, the general government has taken on debt for the Sewer Utility.

City of Warrenton's Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 7,076,500	\$ 6,987,072	\$ 9,089,240	\$ 7,368,224	\$ 16,165,740	\$ 14,355,296
Capital assets, net	<u>12,408,722</u>	<u>9,821,428</u>	<u>29,302,398</u>	<u>28,936,040</u>	<u>41,711,120</u>	<u>38,757,468</u>
Total assets	<u>19,485,222</u>	<u>16,808,500</u>	<u>38,391,638</u>	<u>36,304,264</u>	<u>57,876,860</u>	<u>53,112,764</u>
Deferred outflows	<u>1,613,412</u>	<u>332,966</u>	<u>1,092,746</u>	<u>227,111</u>	<u>2,706,158</u>	<u>560,077</u>
Noncurrent liabilities	11,394,012	8,309,839	10,957,336	8,352,751	22,351,348	16,662,590
Other liabilities	<u>830,769</u>	<u>615,712</u>	<u>809,195</u>	<u>979,299</u>	<u>1,639,964</u>	<u>1,595,011</u>
Total liabilities	<u>12,224,781</u>	<u>8,925,551</u>	<u>11,766,531</u>	<u>9,332,050</u>	<u>23,991,312</u>	<u>18,257,601</u>
Deferred inflows	<u>89,683</u>	<u>294,035</u>	<u>60,740</u>	<u>200,557</u>	<u>150,423</u>	<u>494,592</u>
Net position:						
Net investment in capital assets	8,950,247	7,702,910	20,625,228	21,688,263	29,575,475	29,391,173
Restricted	4,108,074	3,767,819	282,438	383,917	4,390,512	4,151,736
Unrestricted	<u>(4,274,151)</u>	<u>(3,548,849)</u>	<u>6,749,447</u>	<u>4,926,588</u>	<u>2,475,296</u>	<u>1,377,739</u>
Total net position	<u>\$ 8,784,170</u>	<u>\$ 7,921,880</u>	<u>\$27,657,113</u>	<u>\$26,998,768</u>	<u>\$36,441,283</u>	<u>\$34,920,648</u>

The City's net position increased by \$1,520,635 during the current fiscal year.

The City's total assets and deferred outflows at June 30, 2017 increased \$6,910,177 from \$53,672,841 to \$60,583,018, or 12.87% from the prior year. Cash increased by \$1,975,012, or 16.90% from the prior year. Receivables increased by \$10,971, or 0.78% from the prior year. Inventories increased by \$617,492, or 153.22% from the prior year. Capital assets, net, increased by \$2,953,652, or 7.62%, from the prior year. The remaining current assets, prepayments, decreased by \$793,031, or 97.42%, from the prior year. This decrease is mostly due to prepayment for a fire truck in the prior year that was received and expensed in the current year.

The City's total liabilities and deferred inflows at June 30, 2017 increased by \$5,389,542, or 28.74%, from the prior year. Accounts payable increased \$68,810, or 5.79%, from the prior year. Interest payable on long term debt decreased by \$7,888 or 5.09% from the prior year. The City's outstanding debt increased \$2,693,474, or 18.39%.

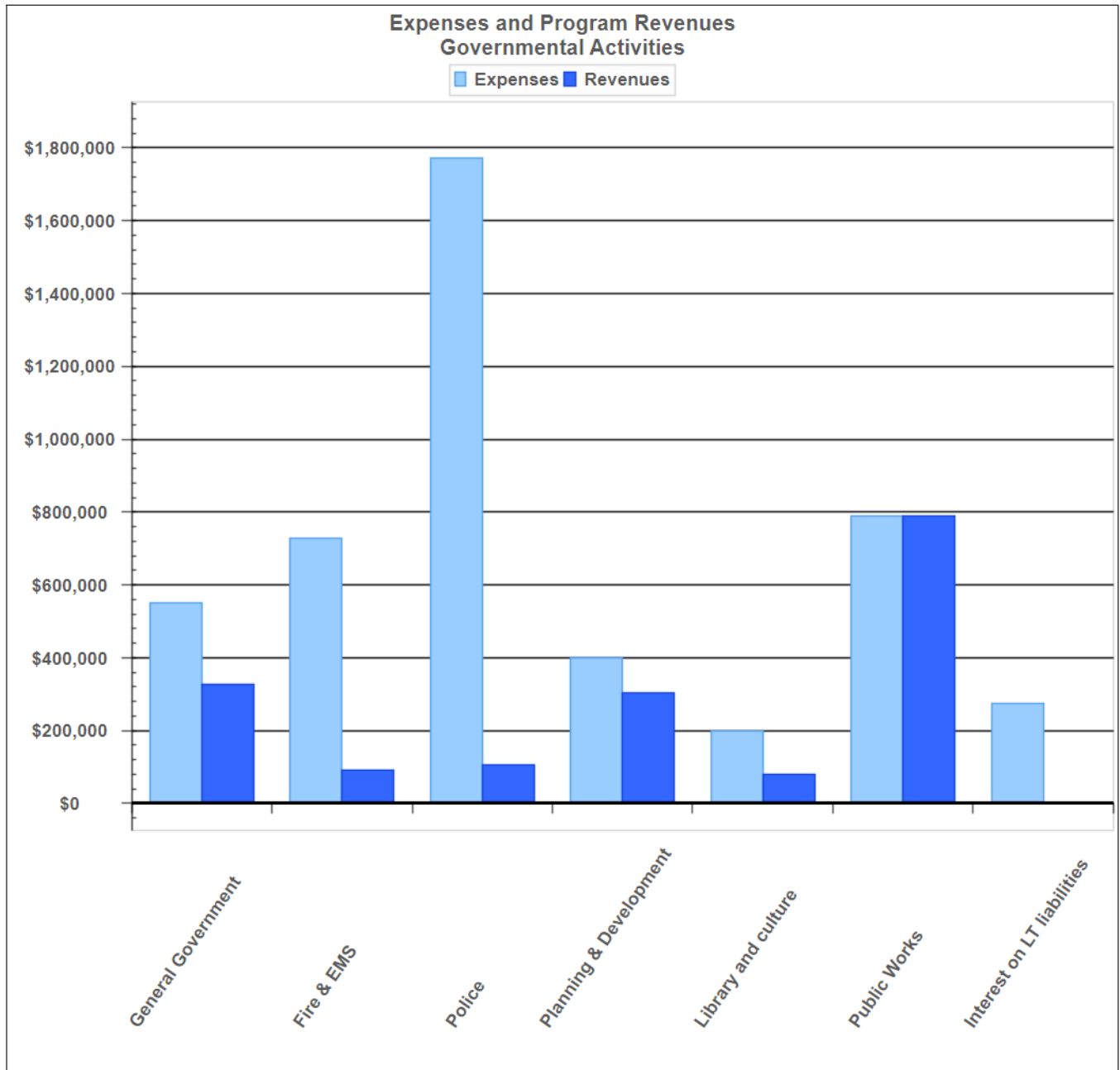
City of Warrenton's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program revenues:						
Fines, fees & charges for services	\$ 805,014	\$ 835,006	\$ 7,525,047	\$ 7,028,427	\$ 8,330,061	\$ 7,863,433
Operating grants & contributions	84,334	69,985	67,497	4,975	151,831	74,960
Capital grants & contributions	154,454	158,961	159,506	173,268	313,960	332,229
General revenues:						
Property taxes	2,248,770	2,175,672	-	-	2,248,770	2,175,672
Other taxes	1,510,042	1,467,106	140,606	140,003	1,650,648	1,607,109
Franchise fees	711,288	676,705	-	-	711,288	676,705
Unrestricted investment earnings	61,937	28,308	40,254	17,294	102,191	45,602
<b>Total revenues</b>	<b>5,575,839</b>	<b>5,411,743</b>	<b>7,932,910</b>	<b>7,363,967</b>	<b>13,508,749</b>	<b>12,775,710</b>
<b>Expenses:</b>						
General government	550,908	738,160	-	-	550,908	738,160
Fire & emergency medical services	729,040	842,977	-	-	729,040	842,977
Police	1,771,096	2,089,866	-	-	1,771,096	2,089,866
Planning and development	400,553	541,035	-	-	400,553	541,035
Library and cultural services	198,029	171,786	-	-	198,029	171,786
Public works	788,323	570,749	-	-	788,323	570,749
Interest on long-term liabilities	275,600	259,629	-	-	275,600	259,629
Water utility	-	-	2,732,348	2,639,989	2,732,348	2,639,989
Sewer utility	-	-	2,489,455	2,771,520	2,489,455	2,771,520
Sanitation utility	-	-	1,063,265	1,044,746	1,063,265	1,044,746
Marinas	-	-	989,497	947,106	989,497	947,106
<b>Total expenses</b>	<b>4,713,549</b>	<b>5,214,202</b>	<b>7,274,565</b>	<b>7,403,361</b>	<b>11,988,114</b>	<b>12,617,563</b>
Change in net position	862,290	197,541	658,345	(39,394)	1,520,635	158,147
Net position, July 1	7,921,880	7,724,339	26,998,768	27,038,162	34,920,648	34,762,501
Net position, June 30	<u>\$ 8,784,170</u>	<u>\$ 7,921,880</u>	<u>\$ 27,657,113</u>	<u>\$ 26,998,768</u>	<u>\$ 36,441,283</u>	<u>\$ 34,920,648</u>

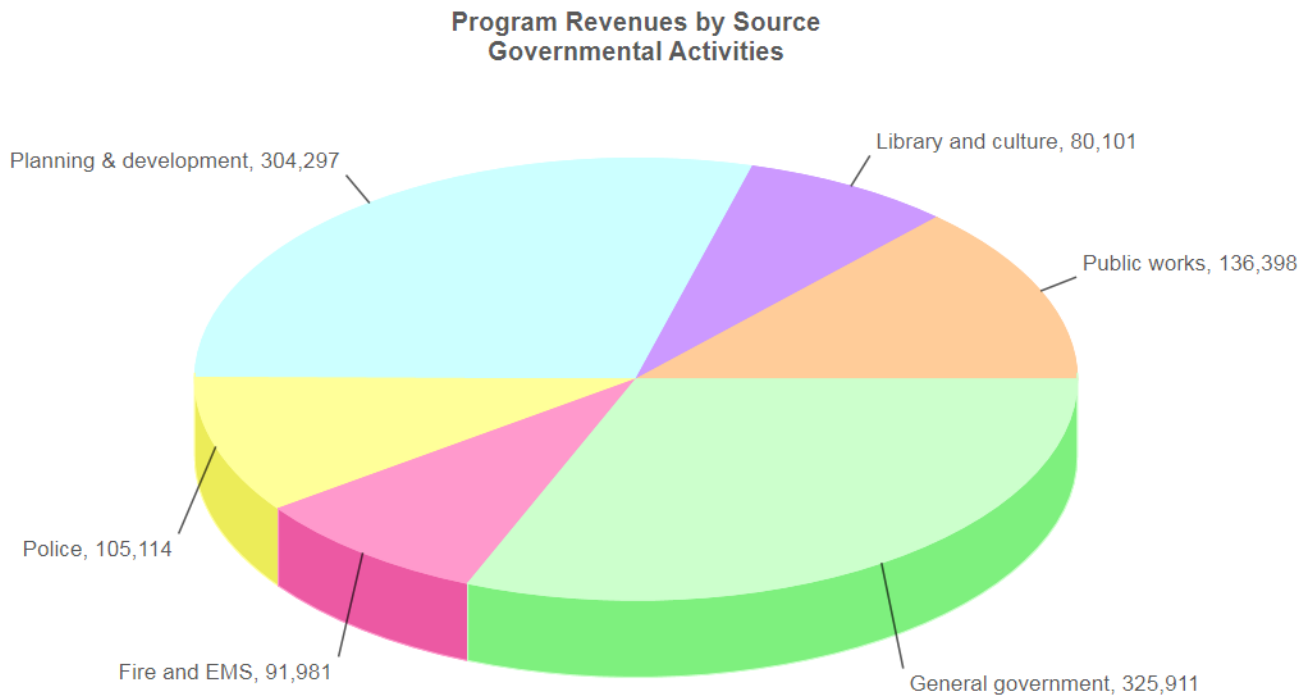
**Governmental activities.** Governmental activities increased the City's net position by \$862,290. The primary elements of the change in total net position are as follows:

- Revenues overall increased \$164,096 as program revenues decreased \$20,150 and general revenues increased \$184,246. All categories of general revenues show an increase with the largest increases in property taxes in the amount of \$74,098 and other taxes in the amount of \$42,936. Other taxes include, transient room taxes, state tax sharing, and fuel taxes.
- The General Fund permanent rate tax increased \$19,716, the Urban Renewal Agency's tax increased \$47,759, local option taxes for the Police Department increased \$4,803 and the Library increased \$1,466, and taxes to pay debt increased \$1,246.
- Franchise fees increased by \$34,583 during the year. This revenue can be cyclical due to weather conditions and demand for telecommunication services.
- Unrestricted investment earnings (interest from bank accounts) increased by \$33,629 during the year.
- Interest expense on debt increased \$15,971 from the prior year.
- Total expenses decreased by \$500,653. Most of this decrease is a result of recording additional pension liability related to future PERS contributions in the prior year.

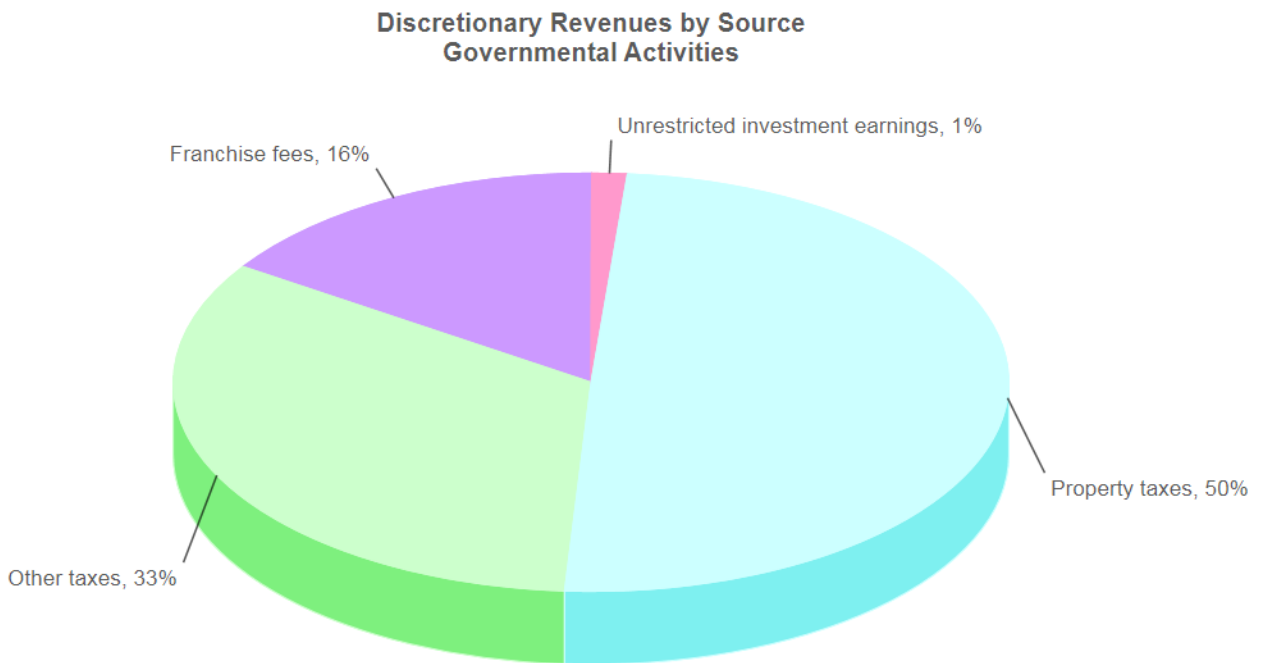
The following graph summarizes the 2016-2017 governmental activity program revenues and corresponding expenses. The revenues shown total \$1,043,802, a decrease from the prior year of \$20,150, are directly attributable to each activity (program revenues) and **do not** include property taxes, other taxes, franchise fees, investment earnings, and other one-time or extraordinary revenue streams which are discretionary (general revenues). Discretionary revenues amount to \$4,532,037, an increase of \$184,246 from the prior year.



This next chart shows the total functional revenues for each program in the amount of \$1,043,802 by its source.



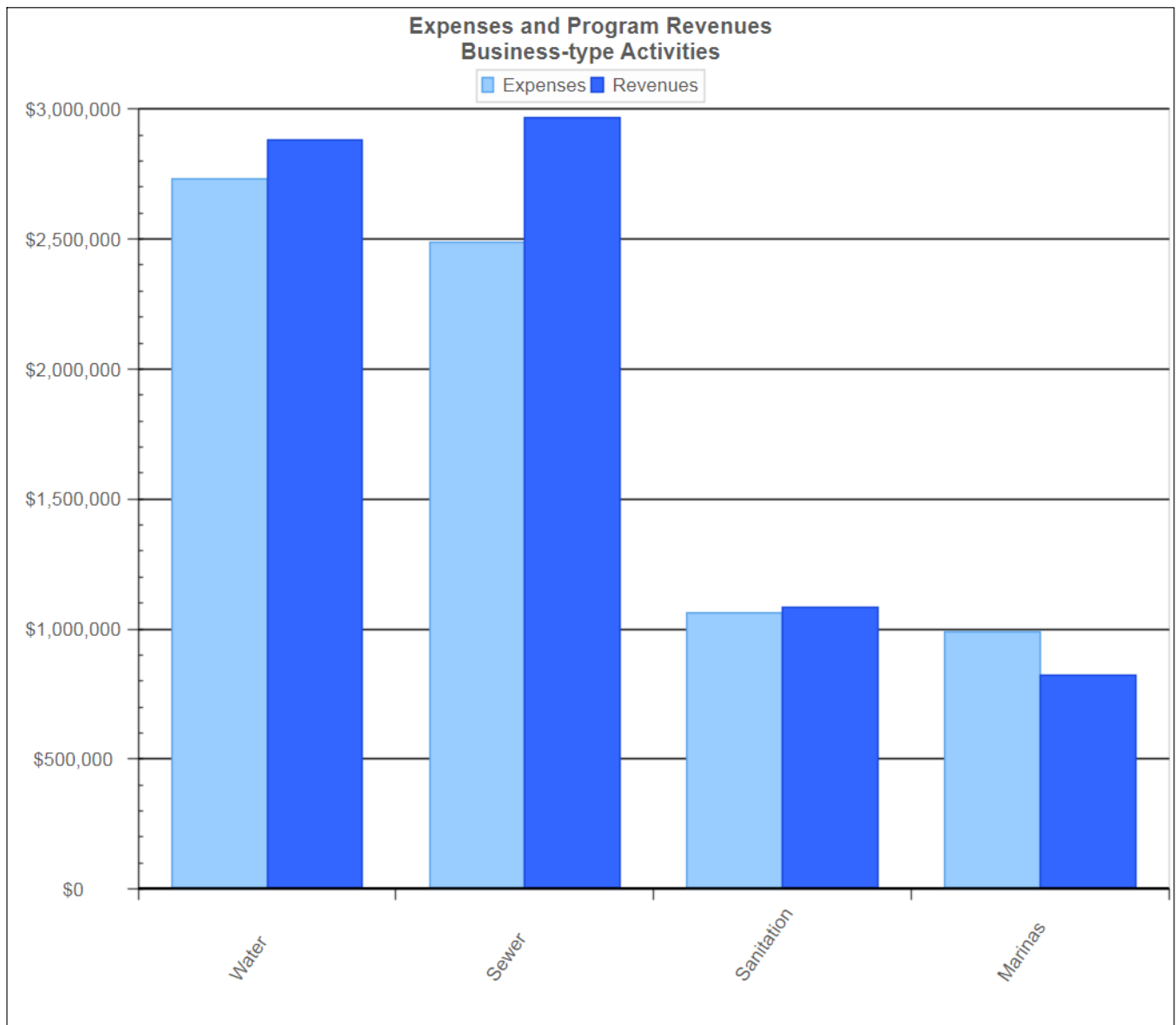
As the next chart reflects, most 2016-2017 governmental activities relied on general discretionary revenues to support the function. This graph shows total discretionary revenues in the amount of \$4,532,037 by percentage in each category



**Business-type activities.** Business-type activities increased the City’s net position by \$658,345. Key elements of this increase are as follows:

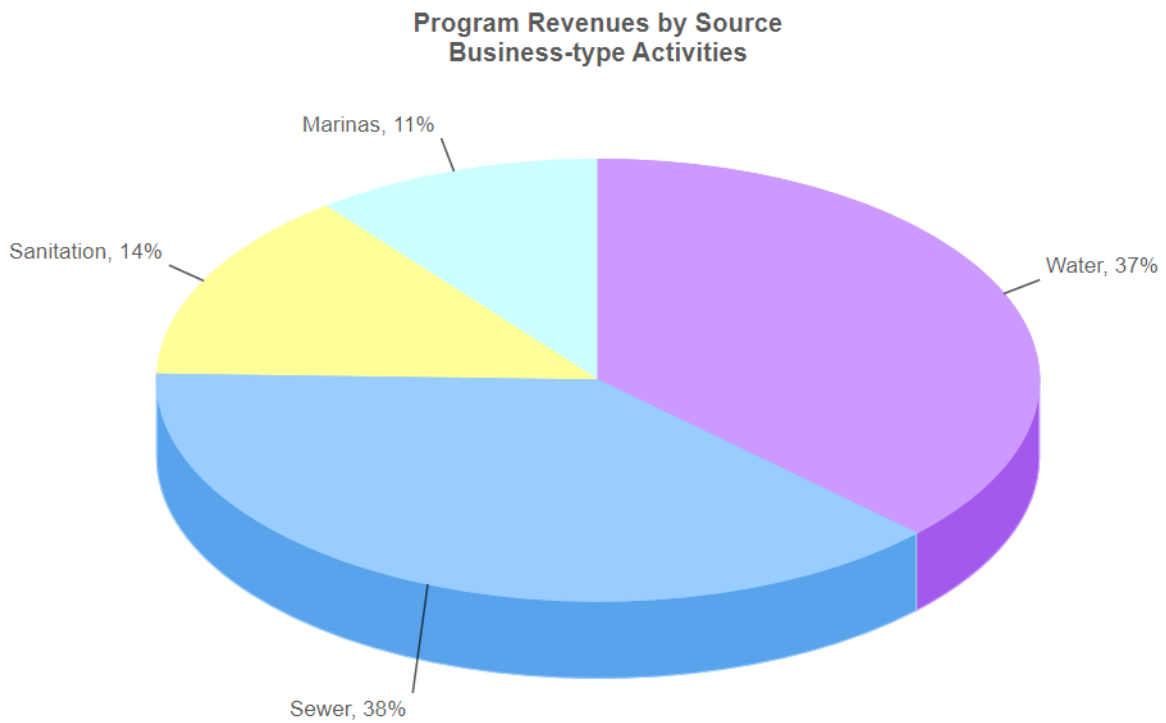
- Fines, fees, and charges for services had a net increase this year of \$496,620 from the prior year. Revenues increased in the Water fund, this year by \$182,478, they increased in the Sewer Fund by \$246,791, and increased in the Sanitation Fund by \$54,949, and the Marinas show increases of \$12,401. Gross water sales increased by \$164,640, or 6.62%, from the prior year, as a result of water consumption decreases of approximately 10.9 million gallons and a rate increase of 7% that was effective on July 1, 2016.
- Combined operating and capital grants and contributions increased this year by \$48,760 and are mostly due to an increase in water and sewer operating grants.
- Unrestricted investment earnings (interest from bank accounts) increased by \$22,960 during the year.
- Total business-type activity revenues increased by \$568,943.
- Total operating expenses decreased from the prior year in the amount of \$128,796.

Business-type activities of the City of Warrenton are supported by charges for utility service, capital contributions, development fees, and other grants. The graph below summarizes the 2016-2017 expenses and revenues of those funds.

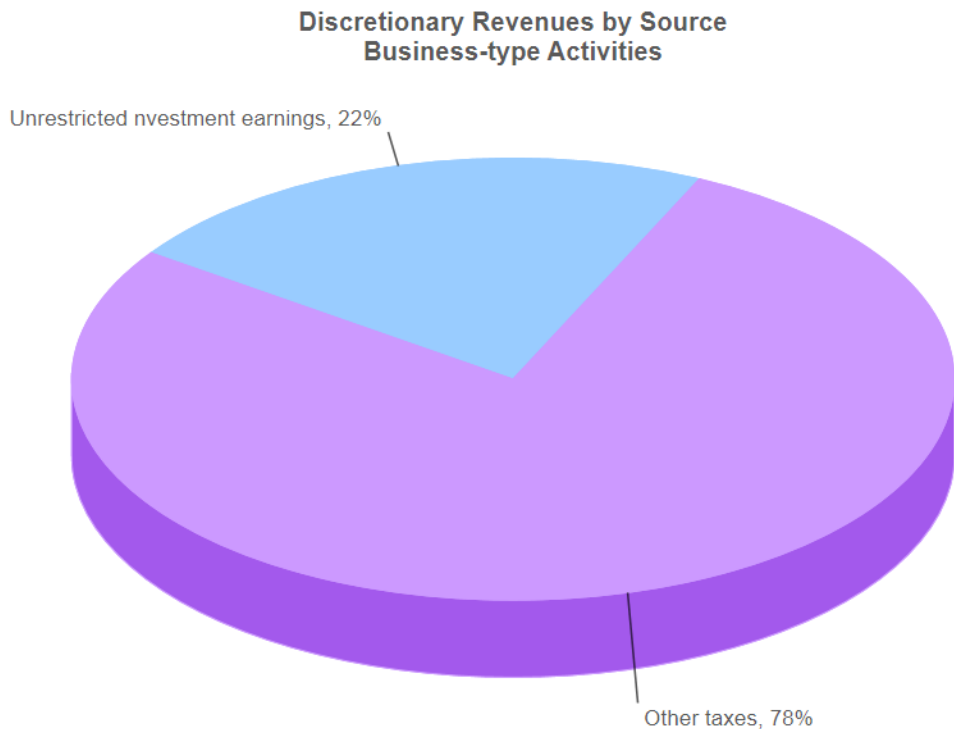




Total program revenues in the business-type activities of the City total \$7,752,050 as represented by the percentages in the chart below for 2016-2017.



In the following graph, discretionary revenues amount to \$180,860. Other taxes are transient room tax dedicated to the Hammond Marina.



## Financial Analysis of the Government's Funds

As noted earlier, 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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,159,053, a decrease of \$95,888 in comparison with the prior year. Approximately 21.2% of this amount (\$1,306,042) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either, *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$19,154), 2) restricted for particular purposes (\$4,455,820), 3) committed for particular purposes (\$104,146), or 4) assigned for particular purposes (\$273,891).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$1,306,042. This balance increased from the prior year, in the amount of \$36,163. As a measure of the General Fund's liquidity, it may be useful to compare the categories of restrictions placed on the fund balance to total fund expenditures. Total fund balance represents approximately 34.8% of total General Fund expenditures and transfers out.

The fund balance of the City's General Fund increased by \$36,163 during the current fiscal year. While revenues increased \$44,211, expenditures decreased by \$34,771. Key elements of the increase to fund balance are as follows:

- Taxes increased by \$24,259 during the year. Revenue in this category comes mostly from property taxes and land sales which increased by \$21,277 and transient room tax which increased by \$2,107.
- Franchise fees increased by \$77,240. This revenue stream can be quite cyclical.
- Intergovernmental receipts from Oregon state revenue sharing for cigarette and liquor taxes and fees increased by \$10,084.
- Charges for services decreased by \$86,784. This decrease is mainly from a decrease in planning application fees of \$102,448.
- Lease receipts increased by \$27,255 due to scheduled increases per lease agreements.
- Fines and fees from Municipal Court decreased by \$14,382.
- Investment (interest) earnings increased by \$4,876.
- Other revenues increased by \$7,253.
- Expenditures and other uses in the General Fund decreased \$64,700 from the prior year. The decreases in general government (Administration, Commission, Finance) (\$15,654), fire and emergency medical services (\$8,142), planning and development (\$103,319), and transfers out (\$29,929) were offset by increases in police (\$18,344), public works (parks) (\$1,967), and debt service (\$72,034).

The State Tax Street Fund has a total fund balance of \$1,384,545, all of which is restricted to road maintenance. The net decrease in fund balance during the current year in the State Tax Street Fund was \$37,402.

- Revenue, from all sources, increased from the prior year by \$34,596. State and city fuel taxes increased by \$22,064.
- Total expenses, including capital outlay, increased this year by \$338,029. Operational expenses increased this year by \$251,239 and capital project costs this year increased by \$86,790.

The Warrenton Urban Renewal Capital Projects Fund, has a total fund balance of \$405,798, all of which is restricted for community development as set forth in the Warrenton Urban Renewal District Plan document. The net increase in fund balance during the current year was \$363,675 and is attributable to the following:

- Revenue, from all sources, increased from the prior year by \$2,024,900 mainly from bond proceeds received during the current year.
- Total expenses, including capital outlay, increased this year by \$1,785,447. Operational expenses increased this year by \$113,978 and capital project costs this year increased by \$1,671,469.

**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 of the Water, Sewer, and Sanitation utilities amount to \$5,940,715, and those for the marinas, the nonmajor funds, amount to \$805,340.

The total change in net position for all funds was \$656,093. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### **Budgetary Highlights**

The Commission approved changes to the original budgets of the General, Water Operating, Sewer Operating, Library, Grants, and Building Department Funds for the fiscal year ended June 30, 2017.

In the General Fund a transfer was approved from Contingency to the Admin/Commission Department to provide spending authority in materials and services in the amount of \$150,000, to allow for increased legal services.

An adjustment was approved in the Water Operating Fund to allow for additional spending authority for a grant received from Oregon Infrastructure Finance Authority in the amount of \$20,000 to assist with a Water Master Plan. A supplemental budget was also approved in the Water Operating Fund to allow for the receipt and spending authority of loan proceeds from the Oregon Infrastructure Finance Authority in the amount of \$1,100,000 for a Water Meter Replacement Project.

Two adjustments were approved in the Sewer Operating Fund to increase appropriations for unanticipated revenues from the Oregon Infrastructure Finance Authority. An adjustment of \$55,000 in the form of a \$35,000 loan and a \$20,000 grant to complete an Inflow and Infiltration Reduction Study, and an adjustment for a \$46,580 grant to complete an Industrial User Agreement.

An adjustment was approved to increase appropriations for unanticipated revenues in the Library Fund in the amount of \$600 for a grant received for Spanish & Bilingual children's books. A supplemental budget was also approved for the Library Fund to increase spending authority for a \$15,000 transfer from the General Fund to assist with relocating the Library.

Two adjustments were approved in the Grants Fund for unanticipated revenues. Appropriations were increased for donations received in the amount of \$15,000 to start a K-9 Program and in the amount of \$9,956 for additional grant contributions in the current year from the US Department of Justice Community Policing Services Grant.

A transfer was made in the Building Department Fund from contingency to allow for additional spending authority in materials and services in the amount of \$35,000 for additional plan review and inspection services.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$41,711,120. This investment in capital assets includes land, buildings and improvements, furniture and equipment, heavy equipment, vehicles, facilities (utilities) and work in progress. Net capital assets increased by \$2,953,652 during the year because capital asset additions of \$4,990,621 less current year depreciation, in the amount of \$2,028,790 and a loss on disposition of assets of \$8,179, net to the overall increase of capital assets at the end of the year.

City of Warrenton's Capital Assets, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,410,432	\$ 2,410,432	\$ 379,623	\$ 379,623	\$ 2,790,055	\$ 2,790,055
Buildings	3,279,975	3,364,206	1,425,398	1,351,338	4,705,373	4,715,544
Equipment	1,529,657	715,768	1,051,329	1,084,340	2,580,986	1,800,108
Improvements	713,089	399,638	474,898	518,874	1,187,987	918,512
Facilities	-	-	23,936,470	25,150,909	23,936,470	25,150,909
Infrastructure	2,428,741	2,381,899	-	-	2,428,741	2,381,899
Construction in progress	2,046,828	549,485	2,034,680	450,956	4,081,508	1,000,441
<b>Total</b>	<b>\$2,408,722</b>	<b>\$ 9,821,428</b>	<b>\$29,302,398</b>	<b>\$28,936,040</b>	<b>\$41,711,120</b>	<b>\$38,757,468</b>

Major capital asset additions during the current fiscal year included the following:

Equipment and vehicle acquisitions amounted to a total of \$1,119,218 which includes an aerial ladder fire truck for \$863,340, a public works 5-yard dump truck and service truck for \$100,117 and \$39,307, respectively; a police patrol vehicle for \$43,213, an uninterrupted power supply and utility vehicle for the water treatment facility for \$16,706 and \$13,886, respectively; a lateral dolly camera for \$13,599, a generator for the public works building for \$12,080, a cargo trailer for the Hammond Marina for \$7,493, a K-9 for \$5,800 and cameras for the garbage collection truck purchased in the prior year for \$3,677.

Major capital improvements were as follows:

Construction of the core conveyance and SE Ensign Pump Station amounted to \$1,477,086.

Delaura Beach Trail Improvements were completed in the amount of \$142,181.

SE 4<sup>th</sup> & Main Storm water Pump Station (Storm Fund portion) in the amount of \$108,647.

SW 3<sup>rd</sup> Street Improvements in the amount of \$130,381.

Hammond Marina acquisition costs in the amount of \$63,089.

Remodel of public works offices in the amount of \$23,268.

Quincy Robinson Park Improvements contribution to Warrenton/Hammond Healthy Kids in the amount of \$21,355.

The Warrenton Urban Renewal Agency spent \$1,805,387 in capital improvements this year for Marina Phase I improvements to the commercial FDock (\$1,697,671), landscaping design (\$5,750), and a portion of the SE 4<sup>th</sup> & Main Storm water Pump Station (\$101,966).

Overall, these construction and equipment additions total \$4,890,612 and represent approximately 98% of the total additions.

Additional information regarding the City's capital assets can be found at Note III C.

**Long-term Debt.** At the end of the current fiscal year, the City had total long-term debt of \$17,081,123. Of this amount, \$8,677,170 is proprietary fund secured loans, \$79,125 is a capital lease, and \$7,757,874 represents outstanding bonded indebtedness. The bonded indebtedness represents debt backed by the full faith and credit of the government.

City of Warrenton's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 4,539,680	\$ 5,083,360	\$ -	\$ -	\$ 4,539,680	\$ 5,083,360
Tax increment financial bonds	3,218,194	1,287,007	-	-	3,218,194	1,287,007
Notes payable	566,954	621,771	8,677,170	7,247,777	9,244,124	7,869,548
Capital leases payable	79,125	116,863	-	-	79,125	116,863
<b>Total</b>	<b>\$ 8,403,953</b>	<b>\$ 7,109,001</b>	<b>\$ 8,677,170</b>	<b>\$ 7,247,777</b>	<b>\$17,081,123</b>	<b>\$14,356,778</b>

Additional information on the City of Warrenton's long-term debt can be found in Note III F.

**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 2018 budget:

- A 3% increase in assessed property values resulting in the same increase in property tax revenue.
- Cost of living adjustment to wages of 1.5%.
- A 7% increase in water utility rates, a 5% increase in sewer utility rates and storm sewer rates to fund future capital needs.
- Interest rates on money market and savings accounts are rising.
- On the expenditure side, increases are expected in health insurance premiums and retirement costs.
- The City of Warrenton continues to purchase a catastrophic liability insurance policy to protect itself from unforeseen losses in excess of \$5 million.
- Contract settlements with all of the City of Warrenton's unions.

**Requests for Information**

This financial report is designed to provide a general overview of 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 directed to the following address:

April Clark  
 Finance Director  
 City of Warrenton  
 P. O. Box 250  
 Warrenton, OR 97146

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**

BASIC FINANCIAL STATEMENTS

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**



**CITY OF WARRENTON**

Statement of Net Position

June 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,421,399	\$ 7,241,263	\$ 13,662,662
Receivables	635,947	773,432	1,409,379
Inventory, at cost	-	1,020,508	1,020,508
Prepaid items	19,154	1,823	20,977
Restricted cash	-	52,214	52,214
Capital assets:			
Nondepreciable assets	4,457,260	2,414,303	6,871,563
Depreciable assets, net	<u>7,951,462</u>	<u>26,888,095</u>	<u>34,839,557</u>
Total assets	19,485,222	38,391,638	57,876,860
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>1,613,412</u>	<u>1,092,746</u>	<u>2,706,158</u>
Total assets and deferred outflows	<u>21,098,634</u>	<u>39,484,384</u>	<u>60,583,018</u>
<b>LIABILITIES</b>			
Accounts payable and other	694,016	562,513	1,256,529
Accrued interest payable	25,029	122,151	147,180
Compensated absences	110,216	111,099	221,315
Unearned revenue	1,508	13,432	14,940
Noncurrent liabilities:			
Due within one year	784,498	676,311	1,460,809
Due in more than one year	7,619,455	8,255,888	15,875,343
Net pension liability	<u>2,990,059</u>	<u>2,025,137</u>	<u>5,015,196</u>
Total liabilities	12,224,781	11,766,531	23,991,312
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>89,683</u>	<u>60,740</u>	<u>150,423</u>
Total liabilities and deferred inflows	<u>12,314,464</u>	<u>11,827,271</u>	<u>24,141,735</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,950,247	20,625,228	29,575,475
Restricted for:			
Road maintenance	1,381,510	-	1,381,510
Debt service	1,521,222	-	1,521,222
Library and culture	42,426	-	42,426
Public works	152,857	-	152,857
Building inspection program	289,924	-	289,924
System development	720,135	282,438	1,002,573
Unrestricted (deficit)	<u>(4,274,151)</u>	<u>6,749,447</u>	<u>2,475,296</u>
Total net position	<u>\$ 8,784,170</u>	<u>\$ 27,657,113</u>	<u>\$ 36,441,283</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

Statement of Activities

For the Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expense Allocation</u>	<u>Program Revenues</u>		
			<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:					
General government	\$ 1,533,932	\$(983,024)	\$ 325,911	\$ -	\$ -
Fire and emergency medical services	673,048	55,992	91,981	-	-
Police	1,721,236	49,860	15,600	71,989	17,525
Planning and development	385,374	15,179	304,297	-	-
Library and culture	176,215	21,814	66,429	12,345	1,327
Public works	742,082	46,241	796	-	135,602
Interest on long-term liabilities	<u>275,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>5,507,487</u>	<u>(793,938)</u>	<u>805,014</u>	<u>84,334</u>	<u>154,454</u>
Business-type activities:					
Water utilities	2,426,152	306,196	2,781,120	20,000	80,883
Sewer utilities	2,176,926	312,529	2,850,280	36,306	78,623
Sanitation utilities	988,777	74,488	1,084,206	-	-
Marinas	<u>888,772</u>	<u>100,725</u>	<u>809,441</u>	<u>11,191</u>	<u>-</u>
Total business-type activities	<u>6,480,627</u>	<u>793,938</u>	<u>7,525,047</u>	<u>67,497</u>	<u>159,506</u>
Total activities	<u>\$11,988,114</u>	<u>\$ -</u>	<u>\$ 8,330,061</u>	<u>\$ 151,831</u>	<u>\$ 313,960</u>

General revenues:

  Taxes:

    Property taxes levied for general purpose

    Property taxes levied for debt service

    Other taxes

  Franchise fees

  Unrestricted investment earnings

    Total general revenues

Change in net position

Net position, beginning

Net position, ending

The accompanying notes are an integral part of these financial statements.

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (224,997)	\$ -	\$ (224,997)
(637,059)	-	(637,059)
(1,665,982)	-	(1,665,982)
(96,256)	-	(96,256)
(117,928)	-	(117,928)
(651,925)	-	(651,925)
<u>(275,600)</u>	<u>-</u>	<u>(275,600)</u>
<u>(3,669,747)</u>	<u>-</u>	<u>(3,669,747)</u>
-	149,655	149,655
-	475,754	475,754
-	20,941	20,941
<u>-</u>	<u>(168,865)</u>	<u>(168,865)</u>
<u>-</u>	<u>477,485</u>	<u>477,485</u>
<u>(3,669,747)</u>	<u>477,485</u>	<u>(3,192,262)</u>
969,348	-	969,348
1,279,422	-	1,279,422
1,510,042	140,606	1,650,648
711,288	-	711,288
<u>61,937</u>	<u>40,254</u>	<u>102,191</u>
<u>4,532,037</u>	<u>180,860</u>	<u>4,712,897</u>
862,290	658,345	1,520,635
<u>7,921,880</u>	<u>26,998,768</u>	<u>34,920,648</u>
<u>\$ 8,784,170</u>	<u>\$ 27,657,113</u>	<u>\$ 36,441,283</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**  
**GOVERNMENTAL FUNDS**

Balance Sheet

June 30, 2017

	General (001)	State Tax Street (040)	Warrenton Urban Renewal Agency Capital Projects (200)	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,298,355	\$ 1,569,871	\$ 498,523	\$ 3,054,650	\$ 6,421,399
Receivables:					
Taxes	72,767	-	-	105,225	177,992
Accounts	206,591	-	-	55,657	262,248
Rehabilitation loans	70,427	-	-	-	70,427
Intergovernmental	20,721	88,550	-	302	109,573
Grants receivable	-	-	-	15,709	15,709
Due from other funds	14,503	-	-	-	14,503
Prepaid items	-	-	-	19,154	19,154
Total assets	<u>\$ 1,683,364</u>	<u>\$ 1,658,421</u>	<u>\$ 498,523</u>	<u>\$ 3,250,697</u>	<u>\$ 7,091,005</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and other	\$ 235,490	\$ 273,876	\$ 92,725	\$ 91,926	\$ 694,017
Unearned revenue	575	-	-	933	1,508
Due to other funds	-	-	-	14,503	14,503
Total liabilities	<u>236,065</u>	<u>273,876</u>	<u>92,725</u>	<u>107,362</u>	<u>710,028</u>
Deferred Inflows of Resources:					
Unavailable revenues	<u>141,257</u>	<u>-</u>	<u>-</u>	<u>80,667</u>	<u>221,924</u>
Fund Balances:					
Nonspendable - Prepaid items	-	-	-	19,154	19,154
Restricted for:					
Road maintenance	-	1,384,545	-	-	1,384,545
Debt service	-	-	-	1,459,682	1,459,682
Library and culture	-	-	-	39,646	39,646
Public works	-	-	-	152,857	152,857
Community development	-	-	405,798	-	405,798
Building inspection program	-	-	-	293,156	293,156
System development	-	-	-	720,136	720,136
Committed to:					
Library and culture	-	-	-	97,061	97,061
Grant expenditures	-	-	-	7,085	7,085
Assigned to:					
Capital projects	-	-	-	273,891	273,891
Unassigned	<u>1,306,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,306,042</u>
Total fund balances	<u>1,306,042</u>	<u>1,384,545</u>	<u>405,798</u>	<u>3,062,668</u>	<u>6,159,053</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,683,364</u>	<u>\$ 1,658,421</u>	<u>\$ 498,523</u>	<u>\$ 3,250,697</u>	<u>\$ 7,091,005</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - governmental funds \$ 6,159,053

Receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 221,923

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:

Nondepreciable assets	\$ 4,457,260	
Depreciable assets	12,847,294	
Accumulated depreciation	<u>(4,895,832)</u>	
		12,408,722

Assets, liabilities, deferred inflows and deferred outflows related to the City's portion of the State-wide pension plan are not current resources or requirements and therefore are not reported in the funds:

Deferred outflows of resources related to pensions	1,613,412	
Net pension liability	(2,990,059)	
Deferred inflows of resources related to pensions	<u>(89,683)</u>	
		(1,466,330)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated absences	(110,216)	
Accrued interest payable	(25,029)	
Capital leases	(79,125)	
Long-term debt	<u>(8,324,828)</u>	
		<u>(8,539,198)</u>

Net position of governmental activities \$ 8,784,170

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**  
**GOVERNMENTAL FUNDS**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2017

	General (001)	State Tax Street (040)	Warrenton Urban Renewal Agency Capital Projects (200)	Nonmajor Governmental Funds	Total
<b>Revenues:</b>					
Taxes	\$ 1,412,202	\$ 339,494	\$ -	\$ 1,561,700	\$ 3,313,396
Franchise fees	752,579	-	-	-	752,579
Licenses and permits	600	-	-	312,831	313,431
Intergovernmental	133,449	312,641	-	71,989	518,079
Charges for services	143,609	-	-	14,177	157,786
Lease receipts	209,251	-	-	-	209,251
Fines and forfeits	104,946	-	-	261	105,207
Investment earnings	11,934	13,738	5,166	31,097	61,935
Donations	-	-	-	78,029	78,029
Indirect cost allocation	1,005,238	-	-	-	1,005,238
Other revenue	16,293	472	-	2,575	19,340
<b>Total revenues</b>	<b>3,790,101</b>	<b>666,345</b>	<b>5,166</b>	<b>2,072,659</b>	<b>6,534,271</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	1,109,746	-	36,104	247,189	1,393,039
Fire and emergency medical services	613,422	-	-	-	613,422
Police	1,512,660	-	-	87,545	1,600,205
Planning and development	135,988	-	-	233,558	369,546
Library and culture	-	-	-	192,561	192,561
Public works	139,045	703,747	-	15,255	858,047
<b>Debt service:</b>					
Principal retirement	92,554	-	-	812,493	905,047
Interest	20,945	-	-	254,179	275,124
Capital outlay	-	-	1,805,387	906,551	2,711,938
<b>Total expenditures</b>	<b>3,624,360</b>	<b>703,747</b>	<b>1,841,491</b>	<b>2,749,331</b>	<b>8,918,929</b>
Excess (deficiency) of revenues over (under) expenditures	165,741	(37,402)	(1,836,325)	(676,672)	(2,384,658)
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	315,595	315,595
Transfers out	(129,578)	-	-	(186,017)	(315,595)
Loan proceeds	-	-	2,200,000	-	2,200,000
Capital contributions	-	-	-	88,770	88,770
<b>Total other financing sources (uses)</b>	<b>(129,578)</b>	<b>-</b>	<b>2,200,000</b>	<b>218,348</b>	<b>2,288,770</b>
<b>Net change in fund balances</b>	<b>36,163</b>	<b>(37,402)</b>	<b>363,675</b>	<b>(458,324)</b>	<b>(95,888)</b>
<b>Fund Balances:</b>					
Beginning of year	1,269,879	1,421,947	42,123	3,520,992	6,254,941
End of year	<u>\$ 1,306,042</u>	<u>\$ 1,384,545</u>	<u>\$ 405,798</u>	<u>\$ 3,062,668</u>	<u>\$ 6,159,053</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental funds	\$	(95,888)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenues		(42,458)
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Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.

Expenditures for capital assets	\$ 3,007,889	
Current year depreciation	<u>(420,595)</u>	
		2,587,294

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in:		
Compensated absences	13,192	
Accrued interest payable	(474)	
Expenses related to pension obligations	<u>(304,423)</u>	
		(291,705)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as other financing sources. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.

Proceeds from issuance of debt	(2,200,000)	
Repayment of long-term debt	<u>905,047</u>	
		<u>(1,294,953)</u>

Change in net position of governmental activities	\$	<u><u>862,290</u></u>
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The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

General Fund

Statement of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 975,000	\$ 975,000	\$ 1,269,879	\$ 294,879
Taxes	1,381,695	1,381,695	1,412,202	30,507
Franchise fees	658,338	658,338	752,579	94,241
Licenses and permits	625	625	600	(25)
Intergovernmental	125,559	125,559	133,449	7,890
Charges for services	153,481	153,481	143,609	(9,872)
Lease receipts	209,251	209,251	209,251	-
Fines and forfeits	127,175	127,175	104,946	(22,229)
Investment earnings	5,000	5,000	11,934	6,934
Indirect cost allocation	1,006,408	1,006,408	1,005,238	(1,170)
Other revenue	<u>1,300</u>	<u>1,300</u>	<u>16,293</u>	<u>14,993</u>
Total resources	<u>\$ 4,643,832</u>	<u>\$ 4,643,832</u>	<u>\$ 5,059,980</u>	<u>\$ 416,148</u>
Requirements:				
Municipal Court	\$ 126,320	\$ 126,320	\$ 104,508	\$ 21,812
Administration/Commission/Finance	1,006,408	1,156,408	1,005,238	151,170
Planning/Development	197,533	197,533	135,988	61,545
Police	1,702,215	1,702,215	1,512,660	189,555
Fire	833,463	833,463	726,921	106,542
Parks	171,673	171,673	139,045	32,628
Contingency	201,881	51,881	-	51,881
Transfers out	<u>129,578</u>	<u>129,578</u>	<u>129,578</u>	<u>-</u>
Total department requirements	<u>4,369,071</u>	<u>4,369,071</u>	<u>3,753,938</u>	<u>615,133</u>
Ending fund balance	<u>274,761</u>	<u>274,761</u>	<u>1,306,042</u>	<u>(1,031,281)</u>
Total requirements	<u>\$ 4,643,832</u>	<u>\$ 4,643,832</u>	<u>\$ 5,059,980</u>	<u>\$ (416,148)</u>

The accompanying notes are an integral part of these financial statements.



**CITY OF WARRENTON**

State Tax Street Fund

Statement of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,180,000	\$ 1,180,000	\$ 1,421,947	\$ 241,947
Taxes	307,000	307,000	339,494	32,494
Intergovernmental	487,407	487,407	312,641	(174,766)
Investment earnings	5,000	5,000	13,738	8,738
Other revenue	<u>-</u>	<u>-</u>	<u>472</u>	<u>472</u>
Total resources	<u>\$ 1,979,407</u>	<u>\$ 1,979,407</u>	<u>\$ 2,088,292</u>	<u>\$ 108,885</u>
Requirements:				
Streets Department:				
Personal services	\$ 69,140	\$ 69,140	\$ 59,329	\$ 9,811
Materials and services	301,402	301,402	395,900	(94,498)
Capital outlay	<u>1,471,920</u>	<u>1,471,920</u>	<u>248,518</u>	<u>1,223,402</u>
Total department expenditures	1,842,462	1,842,462	703,747	1,138,715
Contingency	<u>74,108</u>	<u>74,108</u>	<u>-</u>	<u>74,108</u>
Total expenditures	1,916,570	1,916,570	703,747	1,212,823
Ending fund balance	<u>62,837</u>	<u>62,837</u>	<u>1,384,545</u>	<u>(1,321,708)</u>
Total requirements	<u>\$ 1,979,407</u>	<u>\$ 1,979,407</u>	<u>\$ 2,088,292</u>	<u>\$ (108,885)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

Warrenton Urban Renewal Agency Capital Projects Fund

Statement of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 19,154	\$ 19,154	\$ 42,123	\$ 22,969
Investment earnings	-	-	5,166	5,166
Loan proceeds	<u>4,222,122</u>	<u>4,222,122</u>	<u>2,200,000</u>	<u>(2,022,122)</u>
Total resources	<u>\$ 4,241,276</u>	<u>\$ 4,241,276</u>	<u>\$ 2,247,289</u>	<u>\$ (1,993,987)</u>
Requirements:				
Materials and services	\$ 119,000	\$ 119,000	\$ 36,104	\$ 82,896
Capital outlay	<u>4,122,276</u>	<u>4,122,276</u>	<u>1,805,387</u>	<u>2,316,889</u>
Total expenditures	<u>4,241,276</u>	<u>4,241,276</u>	<u>1,841,491</u>	<u>2,399,785</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>405,798</u>	<u>(405,798)</u>
Total requirements	<u>\$ 4,241,276</u>	<u>\$ 4,241,276</u>	<u>\$ 2,247,289</u>	<u>\$ 1,993,987</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**  
**PROPRIETARY FUNDS**  
Statement of Net Position  
June 30, 2017

	Business-type Activities - Enterprise Funds				Total	Business-type
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds		Engineering Internal Service Fund (042)
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 2,598,455	\$ 3,065,897	\$ 596,676	\$ 970,105	\$ 7,231,133	\$ 10,130
Utility receivables	246,324	288,708	106,685	-	641,717	-
Accounts receivable	-	-	-	51,200	51,200	-
Intergovernmental receivables	-	-	-	35,741	35,741	-
Grants receivable	20,000	2,863	-	6,416	29,279	-
Other receivables	35,617	2,481	-	581	38,679	-
Inventory, at cost	868,082	117,316	35,110	-	1,020,508	-
Prepaid expenses	761	706	356	-	1,823	-
Total current assets	<u>3,769,239</u>	<u>3,477,971</u>	<u>738,827</u>	<u>1,064,043</u>	<u>9,050,080</u>	<u>10,130</u>
Noncurrent assets:						
Restricted cash	-	52,214	-	-	52,214	-
Capital assets:						
Nondepreciable assets	295,912	1,856,848	38,010	223,533	2,414,303	-
Depreciable assets, net	15,574,848	9,851,354	463,426	998,467	26,888,095	-
Total noncurrent assets	<u>15,870,760</u>	<u>11,760,416</u>	<u>501,436</u>	<u>1,222,000</u>	<u>29,354,612</u>	<u>-</u>
Total assets	<u>19,639,999</u>	<u>15,238,387</u>	<u>1,240,263</u>	<u>2,286,043</u>	<u>38,404,692</u>	<u>10,130</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions	<u>429,467</u>	<u>362,355</u>	<u>83,620</u>	<u>217,304</u>	<u>1,092,746</u>	<u>-</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable and other	166,123	323,107	66,016	30,435	585,681	16
Accrued interest payable	107,693	14,458	-	-	122,151	-
Compensated absences	46,794	35,053	5,190	17,340	104,377	6,722
Unearned revenue	-	-	-	13,432	13,432	-
Loans payable - current	524,012	140,649	-	-	664,661	-
Landfill postclosure care - current	-	-	11,650	-	11,650	-
Total current liabilities	<u>844,622</u>	<u>513,267</u>	<u>82,856</u>	<u>61,207</u>	<u>1,501,952</u>	<u>6,738</u>
Noncurrent liabilities:						
Loans payable	5,912,773	2,099,736	-	-	8,012,509	-
Landfill postclosure care liability	-	-	243,379	-	243,379	-
Net pension liability	<u>795,912</u>	<u>671,534</u>	<u>154,970</u>	<u>402,721</u>	<u>2,025,137</u>	<u>-</u>
Total liabilities	<u>7,553,307</u>	<u>3,284,537</u>	<u>481,205</u>	<u>463,928</u>	<u>11,782,977</u>	<u>6,738</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to pensions	<u>23,872</u>	<u>20,141</u>	<u>4,648</u>	<u>12,079</u>	<u>60,740</u>	<u>-</u>
<b>NET POSITION</b>						
Net investment in capital assets	9,433,975	9,467,817	501,436	1,222,000	20,625,228	-
Restricted for system development	112,861	169,577	-	-	282,438	-
Unrestricted	<u>2,945,451</u>	<u>2,658,670</u>	<u>336,594</u>	<u>805,340</u>	<u>6,746,055</u>	<u>3,392</u>
Total net position	<u>\$ 12,492,287</u>	<u>\$ 12,296,064</u>	<u>\$ 838,030</u>	<u>\$ 2,027,340</u>	<u>\$ 27,653,721</u>	<u>\$ 3,392</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

Reconciliation of the Statement of Net Position of Enterprise Funds to the Statement of Net Position

June 30, 2017

Amounts reported for business-type activities in the statement of net position are different because:

Net position - enterprise funds	\$ 27,653,721
Release receivable recorded in the Water Enterprise Fund for internal water connection fees to eliminate interfund activity.	(23,184)
Release payable recorded in the other enterprise funds for internal water connection fees to eliminate interfund activity.	23,184
Internal service funds are used by management to charge the cost of engineering to individual funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service fund are included in business-type activities in the statement of net position.	<u>3,392</u>
Net position of business-type activities	<u>\$ 27,657,113</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

**PROPRIETARY FUNDS**

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
Operating revenues:						
Charges for services	\$ 2,776,781	\$ 2,846,374	\$ 1,082,047	\$ 753,503	\$ 7,458,705	\$ 124,032
Lease receipts	-	-	-	41,831	41,831	-
Other revenue	4,339	3,906	2,159	14,107	24,511	244
Total operating revenues	<u>2,781,120</u>	<u>2,850,280</u>	<u>1,084,206</u>	<u>809,441</u>	<u>7,525,047</u>	<u>124,276</u>
Operating Expenses:						
Payroll and payroll benefits	951,219	835,751	233,200	510,779	2,530,949	120,539
Contracted services	116,387	190,545	572,021	19,302	898,255	362
Utilities and telephone	92,609	196,935	5,709	134,552	429,805	630
Repairs and maintenance	321,620	246,804	35,586	112,351	716,361	-
Other operating expenses	153,297	144,665	77,513	49,015	424,490	495
Overhead cost allocation	164,325	167,724	39,975	54,055	426,079	-
Depreciation	731,012	668,479	99,261	109,443	1,608,195	-
Total operating expenses	<u>2,530,469</u>	<u>2,450,903</u>	<u>1,063,265</u>	<u>989,497</u>	<u>7,034,134</u>	<u>122,026</u>
Operating income (loss)	<u>250,651</u>	<u>399,377</u>	<u>20,941</u>	<u>(180,056)</u>	<u>490,913</u>	<u>2,250</u>
Nonoperating Revenues (Expenses):						
Investment earnings	13,355	13,170	3,930	9,797	40,252	2
Taxes	-	-	-	140,606	140,606	-
Intergovernmental	20,000	36,306	-	11,191	67,497	-
Gain/(loss) on disposition of capital assets	(8,179)	-	-	-	(8,179)	-
Interest expense	(193,700)	(40,802)	-	-	(234,502)	-
Total nonoperating revenues (expenses)	<u>(168,524)</u>	<u>8,674</u>	<u>3,930</u>	<u>161,594</u>	<u>5,674</u>	<u>2</u>
Income (loss) before contributions	82,127	408,051	24,871	(18,462)	496,587	2,252
Capital contributions	<u>80,883</u>	<u>78,623</u>	<u>-</u>	<u>-</u>	<u>159,506</u>	<u>-</u>
Change in net position	163,010	486,674	24,871	(18,462)	656,093	2,252
Net Position:						
Beginning of year	<u>12,329,277</u>	<u>11,809,390</u>	<u>813,159</u>	<u>2,045,802</u>	<u>26,997,628</u>	<u>1,140</u>
End of year	<u>\$ 12,492,287</u>	<u>\$ 12,296,064</u>	<u>\$ 838,030</u>	<u>\$ 2,027,340</u>	<u>\$ 27,653,721</u>	<u>\$ 3,392</u>

Reconciliation of the Statement of Revenues, Expenses, and Changes in Net  
Position of Enterprise Funds to the Statement of Activities

Amounts reported for business-type activities in the statement of activities are different because:

Change in net position - enterprise funds	\$ 656,093
The internal service fund is used by management to charge the cost of engineering services to individual funds. The net revenue is reported with business-type activities in the statement of activities	<u>2,252</u>
Change in net position of business-type activities	<u>\$ 658,345</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WARRENTON**

**PROPRIETARY FUNDS**

Statement of Cash Flows

For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 2,754,963	\$ 2,832,828	\$1,085,040	\$ 789,355	\$ 7,462,186	\$ -
Receipts from interfund charges	-	-	-	-	-	118,245
Payments to suppliers and contractors	(1,288,077)	(813,274)	(766,678)	(304,864)	(3,172,893)	(1,617)
Payments to employees	(678,116)	(675,286)	(200,340)	(410,116)	(1,963,858)	(119,230)
Payments for interfund services	<u>(306,196)</u>	<u>(312,529)</u>	<u>(74,488)</u>	<u>(100,724)</u>	<u>(793,937)</u>	<u>-</u>
Net cash provided by (used in) operating	<u>482,574</u>	<u>1,031,739</u>	<u>43,534</u>	<u>(26,349)</u>	<u>1,531,498</u>	<u>(2,602)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Intergovernmental operating grants received	-	33,443	-	4,775	38,218	-
Taxes collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,870</u>	<u>144,870</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>33,443</u>	<u>-</u>	<u>149,645</u>	<u>183,088</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from debt issuance	669,931	1,399,226	-	-	2,069,157	-
Capital contributions	80,883	78,623	-	-	159,506	-
Acquisition and construction of capital assets	(135,873)	(1,508,290)	(340,268)	(69,958)	(2,054,389)	-
Principal paid on debt	(505,415)	(134,349)	-	-	(639,764)	-
Interest paid on debt	<u>(204,708)</u>	<u>(38,156)</u>	<u>-</u>	<u>-</u>	<u>(242,864)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(95,182)</u>	<u>(202,946)</u>	<u>(340,268)</u>	<u>(69,958)</u>	<u>(708,354)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends received	<u>13,355</u>	<u>13,170</u>	<u>3,930</u>	<u>9,797</u>	<u>40,252</u>	<u>2</u>
Net change in cash and cash equivalents	400,747	875,406	(292,804)	63,135	1,046,484	(2,600)
Cash and cash equivalents:						
Beginning of year	<u>2,197,708</u>	<u>2,242,705</u>	<u>889,480</u>	<u>906,970</u>	<u>6,236,863</u>	<u>12,730</u>
End of year	<u>\$ 2,598,455</u>	<u>\$ 3,118,111</u>	<u>\$ 596,676</u>	<u>\$ 970,105</u>	<u>\$ 7,283,347</u>	<u>\$ 10,130</u>
Cash and cash equivalents are reported on the Statement of Net Position as follows:						
Cash and cash equivalents	\$ 2,598,455	\$ 3,065,897	\$ 596,676	\$ 970,105	\$ 7,231,133	\$ 10,130
Restricted cash	-	52,214	-	-	52,214	-
	<u>\$ 2,598,455</u>	<u>\$ 3,118,111</u>	<u>\$ 596,676</u>	<u>\$ 970,105</u>	<u>\$ 7,283,347</u>	<u>\$ 10,130</u>

Continued on next page

The accompanying notes are an integral part of these financial statements.

PROPRIETARY FUNDS

Statement of Cash Flows, Continued

For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds					Business-type
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 250,651	\$ 399,377	\$ 20,941	\$ (180,056)	\$ 490,913	\$ 2,250
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	731,012	668,479	99,261	109,443	1,608,195	-
Net increase (decrease) of expense under GASB 68	119,824	20,716	(3,156)	63,227	200,611	-
(Increase) decrease in assets:						
Receivables	(26,157)	(17,452)	834	(17,975)	(60,750)	-
Inventory, at cost	(642,491)	23,190	1,809	-	(617,492)	-
Prepaid items	6,146	2,362	(9)	-	8,499	-
Increase (decrease) in liabilities:						
Accounts payable and other	32,181	(59,877)	(46,778)	10,356	(64,118)	(130)
Compensated absences	11,408	(5,056)	1,503	(9,233)	(1,378)	1,309
Unearned revenue	-	-	-	(2,111)	(2,111)	(6,031)
Landfill postclosure care	-	-	(30,871)	-	(30,871)	-
 Net cash provided by (used in) operating activities	 <u>\$ 482,574</u>	 <u>\$ 1,031,739</u>	 <u>\$ 43,534</u>	 <u>\$ (26,349)</u>	 <u>\$ 1,531,498</u>	 <u>\$ (2,602)</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2017

#### **Note I - Summary of Significant Accounting Policies**

##### **A. Reporting Entity**

The City of Warrenton, Oregon ("City") is a municipal corporation incorporated on February 11, 1899. The City operates under a council-city manager form of government. The governing body (City Commission) consists of five elected members who serve four-year terms. The City Manager administers policies and coordinates the activities of the City. The City Manager reports to, and is responsible to the City Commission. The heads of various departments, formed to provide various services, are under the direct supervision of the City Manager.

The City has the authority to levy taxes on property within the city for basic services and for payment of general obligation bonds. It has exercised that authority for several years.

*Blended component unit.* The Warrenton Urban Renewal Agency ("Agency") serves all citizens of the City and is governed by a Board comprised of members of the City Commission. The Agency was formed by the City to implement various public improvement programs in the revitalization plan of the City. Projects are funded through tax increment dollars. Separate financial statements for the Agency can be obtained from the City.

##### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the statement of net position and the statement of activities.

The statement of activities demonstrates the degree to which the direct and allocated indirect expenses of a given function or program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Indirect expenses* are those costs, usually administrative in nature, that support all City functions, programs, and enable direct services to be provided. *Program revenues* include 1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. 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. Nonmajor funds are aggregated in a single column on these statements.

##### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide and proprietary funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.



## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2017

#### **Note I - Summary of Significant Accounting Policies, Continued**

##### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued**

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all of the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes, licenses and permits, state and county shared revenues and charges for administrative services from other funds. Primary expenditures are for general government and police and fire protection.

The *State Tax Street Fund* accounts for funds provided by the Oregon State Department of Transportation and State Highway Trust Fund that are set aside for bicycle lanes, pedestrian paths, street maintenance and repair, and street lighting. The fund also accounts for the City fuel tax.

The *Warrenton Urban Renewal Agency Capital Projects Fund* accounts for the property tax revenue collected and improvements to the downtown area completed through the Warrenton Urban Renewal Agency.

Additionally, the City reports the following nonmajor funds within the governmental fund type:

*Special revenue funds* account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes.

*Debt service funds* account for the servicing of general long-term debt. Revenue sources are property taxes levied for general obligation bonds and other general governmental revenues.

*Capital project funds* account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by business-type or proprietary funds).

The City reports the following major proprietary funds:

The *Water Enterprise Fund* (a combination of the operating, system development, and capital reserve funds) accounts for the costs of operating the water system of the City and paying for its costs and renovation. User fees provide revenue.

The *Sewer Enterprise Fund* (a combination of the operating, system development, capital reserve, and storm sewer funds) accounts for the costs of operating the sewer and storm facilities. User fees provide the revenue.

The *Sanitation Enterprise Fund* (a combination of the operating and capital reserve funds) accounts for the costs of providing trash removal services. User fees provide the revenue.

Additionally, the City reports the *Engineering Internal Service Fund* to account for the cost of providing engineering services to other departments of the City. Internal user fees provide revenue to the fund.

# CITY OF WARRENTON

## Notes to the Financial Statements

June 30, 2017

### **Note I - Summary of Significant Accounting Policies, Continued**

#### **C. Measurement Focus, Basis of Accounting, and 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 payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's enterprise funds and various other functions of the City. The City allocates charges as reimbursement for services provided by the general fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

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. Likewise, general revenues include all taxes.

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 of the enterprise funds are charges to customers for sales and services. Significant operating expenses include personnel, contracted services, repairs and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

##### **1. Deposits and Investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments in the State of Oregon Local Government Investment Pool ("LGIP").

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

##### **2. Receivables and Payables**

Service and property taxes receivables that meet the measurable and available criteria for revenue recognition are accrued as revenue in the governmental funds financial statements. Receivables in the government-wide and proprietary fund financial statements are accrued as revenue when earned. In governmental funds, any revenues not meeting the revenue recognition criteria are offset by unavailable revenue accounts.

Special assessments receivable in the governmental funds and proprietary funds are recognized at the time the property owners are assessed for property improvements. In governmental funds special assessments receivable are offset by unavailable revenue accounts and, accordingly, have not been recognized as revenue.

Property taxes are levied and become a lien on July 1st. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th of the same year, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the due date.

Receivables for housing rehabilitation loans in the general fund are recognized at the time the loan is made. The loans receivable are offset by an unavailable revenue account and accordingly, have not

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note I - Summary of Significant Accounting Policies, Continued**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued**

**2. Receivables and Payables, Continued**

been recognized as revenue in the governmental fund financial statements.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

In the government-wide financial statements any residual balances outstanding between the governmental and business-type activities are reported as "internal balances."

**3. Inventories and Prepaid Items**

Inventories of materials and supplies in the proprietary funds are stated at cost, on a first-in, first-out basis, and charged to expense as used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. Restricted Cash**

Cash whose use is restricted for construction, debt service or by other agreement are segregated on the government-wide statement and the proprietary funds statement of net position and the governmental funds balance sheet.

**5. Capital Assets**

Capital assets, which include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure, and other tangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

No depreciation is taken in the year the assets are acquired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Parking and land improvements	10 - 50
Buildings	10 - 50
Equipment and vehicles	5 - 40
Dike and flood control	20 - 40
Infrastructure	20 - 25
Utility facilities	5 - 40

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2017

#### **Note I - Summary of Significant Accounting Policies, Continued**

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued**

##### **6. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide statements and the enterprise funds report deferred outflows of resources related to pensions.

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, deferred inflows of resources, 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. The City reports two types of deferred inflows. Unavailable revenues, which arises only under a modified accrual basis of accounting, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, occupancy taxes, franchise fees and rehabilitation loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide statements and the enterprise funds report deferred inflows of resources related to pensions.

A detailed description of deferred outflows and inflows of resources related to pensions and how they are calculated can be found in note III.G.

##### **7. *Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The compensated absences liability is extinguished by the fund in which the liability is incurred.

##### **8. *Long-Term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds-outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year the debt is issued.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2017

#### **Note I - Summary of Significant Accounting Policies, Continued**

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued**

##### **9. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. 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.

##### **10. Net Position Flow Assumptions**

Sometimes the City will fund outlays for a particular resource from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

##### **11. Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

##### **12. Fund Balance Policies**

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

*Nonspendable* - resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for sale.

*Restricted* - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* - the City Commission passes an ordinance that places specific constraints on how the resources may be used. The City Commission can modify or rescind the ordinance at any time through passage of an additional ordinance.

*Assigned* - resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted, nor committed. Intent is expressed when the City Commission approves which resources should be "reserved" during the adoption of the annual budget.

*Unassigned* - resources that have not been restricted, committed, or assigned within the General

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note I - Summary of Significant Accounting Policies, Continued**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued**

**12. Fund Balance Policies, Continued**

Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

**13. Use of Estimates**

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note II - Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law).

A budget is prepared by the City Manager in the early winter preceding the fiscal year the budget will be used. The City is required to budget for all funds. The City's budget is prepared for each fund on the modified accrual basis of accounting. The budget committee, with public input, deliberates and approves the budget for transmittal to the City Commission in early spring. After public notices and a hearing, the final budget is adopted, appropriations made, and a tax levy declared no later than June 30.

The City Commission resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriation. The level of control for all City funds is by department, debt service, interfund transfers, and contingency. The level of control for the Warrenton Urban Renewal Agency funds is by materials and services, capital outlay, debt service, interfund transfers, and contingency. Appropriations lapse as of year-end.

Expenditures cannot legally exceed appropriations except in the case of grants which could not be estimated at the time of budget adoption. Supplemental appropriations and appropriation transfers may occur with notice and City Commission action.

**Note III - Detailed Notes On All Funds**

**A. Deposits and Investments**

The City maintains a cash and investment pool for its cash and cash equivalents in which each fund participates. Cash and investments comprise the following:

Petty cash	\$ 1,200
Deposits with financial institutions	2,360,076
State of Oregon Local Government Investment Pool	11,353,600
Total	<u>\$ 13,714,876</u>

Cash and investments are reflected in the government-wide Statement of Net Position as follows:

Cash and cash equivalents	\$ 13,662,662
Restricted cash	52,214
Total	<u>\$ 13,714,876</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**A. Deposits and Investments, Continued**

*Deposits.* All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program ("PFCP") of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at least 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 State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The Oregon Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. Additional information about the OSTF can be obtained at [www.ost.state.or.us](http://www.ost.state.or.us) and [www.oregon.gov/treasury](http://www.oregon.gov/treasury).

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2017, the City's deposits were covered and collateralized by federal depository insurance and the PFCP.

*Credit Risk -- Investments.* The City has no investment policy for credit risk, but in practice follows state statutes which authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers acceptances, certain commercial papers and the State Treasurer's Investment Pool, among others. The LGIP is not rated by a national rating service.

*Interest Rate Risk.* The City does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates. The weighted-average maturity of LGIP is less than one year.

**B. Receivables and Deferred Inflows of Resources**

***Housing rehabilitation loans***

The City has lent money to qualifying property owners through a federally funded low-income housing rehabilitation program. The loans are non interest-bearing and become a lien against the property, payable upon sale of the property or death of the owner.

***Unavailable revenues***

At the end of the current fiscal year, the components of unavailable revenue reported in the governmental funds were as follows:

	General Fund	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total
Delinquent property taxes receivable	\$ 55,791	\$ 3,002	\$ 77,665	\$ 136,458
Franchise fees	15,039	-	-	15,039
Rehabilitation loans	70,427	-	-	70,427
Total unavailable revenues	<u>\$ 141,257</u>	<u>\$ 3,002</u>	<u>\$ 77,665</u>	<u>\$ 221,924</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,410,432	\$ -	\$ -	\$ -	\$ 2,410,432
Construction in progress	<u>549,485</u>	<u>1,731,991</u>	<u>-</u>	<u>(234,648)</u>	<u>2,046,828</u>
Total capital assets, not being depreciated	<u>2,959,917</u>	<u>1,731,991</u>	<u>-</u>	<u>(234,648)</u>	<u>4,457,260</u>
Capital assets, being depreciated:					
Parking and land improvements	781,083	145,581	-	201,480	1,128,144
Buildings	4,721,039	9,925	-	11,630	4,742,594
Equipment and vehicles	2,070,597	922,909	(14,385)	13,000	2,992,121
Infrastructure	<u>3,778,414</u>	<u>197,483</u>	<u>-</u>	<u>8,538</u>	<u>3,984,435</u>
Total capital assets, being depreciated	<u>11,351,133</u>	<u>1,275,898</u>	<u>(14,385)</u>	<u>234,648</u>	<u>12,847,294</u>
Less accumulated depreciation for:					
Parking and land improvements	(381,445)	(33,610)	-	-	(415,055)
Buildings	(1,356,833)	(105,786)	-	-	(1,462,619)
Equipment and vehicles	(1,354,829)	(122,020)	14,385	-	(1,462,464)
Infrastructure	<u>(1,396,515)</u>	<u>(159,179)</u>	<u>-</u>	<u>-</u>	<u>(1,555,694)</u>
Total accumulated depreciation	<u>(4,489,622)</u>	<u>(420,595)</u>	<u>14,385</u>	<u>-</u>	<u>(4,895,832)</u>
Total capital assets, being depreciated, net	<u>6,861,511</u>	<u>855,303</u>	<u>-</u>	<u>234,648</u>	<u>7,951,462</u>
Governmental activities capital assets, net	<u>\$ 9,821,428</u>	<u>\$ 2,587,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,408,722</u>



**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**C. Capital Assets, Continued**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 379,623	\$ -	\$ -	\$ -	\$ 379,623
Construction in progress	<u>450,956</u>	<u>1,605,879</u>	<u>-</u>	<u>(22,155)</u>	<u>2,034,680</u>
Total capital assets, not being depreciated	<u>830,579</u>	<u>1,605,879</u>	<u>-</u>	<u>(22,155)</u>	<u>2,414,303</u>
Capital assets, being depreciated:					
Parking areas	920,676	-	-	-	920,676
Buildings	2,447,370	108,647	-	18,835	2,574,852
Equipment and vehicles	4,977,167	179,601	-	-	5,156,768
Utility facilities	<u>41,621,227</u>	<u>88,605</u>	<u>(12,574)</u>	<u>3,320</u>	<u>41,700,578</u>
Total capital assets, being depreciated	<u>49,966,440</u>	<u>376,853</u>	<u>(12,574)</u>	<u>22,155</u>	<u>50,352,874</u>
Less accumulated depreciation for:					
Parking areas	(401,802)	(43,976)	-	-	(445,778)
Buildings	(1,096,032)	(53,422)	-	-	(1,149,454)
Equipment and vehicles	(3,892,827)	(212,612)	-	-	(4,105,439)
Utility facilities	<u>(16,470,318)</u>	<u>(1,298,185)</u>	<u>4,395</u>	<u>-</u>	<u>(17,764,108)</u>
Total accumulated depreciation	<u>(21,860,979)</u>	<u>(1,608,195)</u>	<u>4,395</u>	<u>-</u>	<u>(23,464,779)</u>
Total capital assets, being depreciated, net	<u>28,105,461</u>	<u>(1,231,342)</u>	<u>(8,179)</u>	<u>22,155</u>	<u>26,888,095</u>
Business-type activities capital assets, net	<u>\$ 28,936,040</u>	<u>\$ 374,537</u>	<u>\$ (8,179)</u>	<u>\$ -</u>	<u>\$ 29,302,398</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**C. Capital Assets, Continued**

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

Governmental activities:	
General government	\$ 99,189
Fire and emergency medical services	71,424
Police	38,128
Library and culture	23,633
Public works	<u>188,221</u>
Total depreciation expense - governmental activities	<u>\$ 420,595</u>
Business-type activities:	
Water utilities	\$ 731,012
Sewer utilities	668,479
Sanitation utilities	99,261
Marinas	<u>109,443</u>
Total depreciation expense - business-type activities	<u>\$ 1,608,195</u>

**D. Interfund Receivables, Payables, and Transfers**

At June 30, 2017 the grants fund, a nonmajor governmental fund, owed \$14,503 to the general fund to cover expenditures which have not yet been reimbursed by the granting agency.

During the year ended June 30, 2017 the general fund transferred \$129,578 to nonmajor governmental funds. Interfund transfers were used to provide funds for debt service, contribute towards the cost of capital projects, and to provide operational resources.

**E. Capital Lease**

The City has entered into a lease agreement as lessee for financing equipment. This lease agreement qualifies as a capital lease for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. Amortization of the leased asset is included in current year depreciation expense.

The asset acquired through a capital lease is as follows:

	Governmental Activities
2010 E-One Pumper Truck	\$ 281,776
Less: Accumulated Depreciation	<u>(93,925)</u>
Total	<u>\$ 187,851</u>

The future minimum lease payments under the capital lease at June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Present Value</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 38,940	\$ 2,526	\$ 41,466
2019	40,185	1,281	41,466
Total minimum lease payments	79,125	<u>\$ 3,807</u>	<u>\$ 82,932</u>
Less current maturities	<u>(38,940)</u>		
Long-term portion	<u>\$ 40,185</u>		

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**F. Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General obligation bonds payable	\$ 5,083,360	\$ -	\$ (543,680)	\$ 4,539,680	\$ 420,784
Tax increment financial bonds	1,287,007	2,200,000	(268,813)	3,218,194	268,439
Notes/loans payable	<u>621,771</u>	<u>-</u>	<u>(54,817)</u>	<u>566,954</u>	<u>56,335</u>
Total long-term debt	6,992,138	2,200,000	(867,310)	8,324,828	745,558
Capital leases	<u>116,863</u>	<u>-</u>	<u>(37,738)</u>	<u>79,125</u>	<u>38,940</u>
Total noncurrent liabilities	7,109,001	2,200,000	(905,048)	8,403,953	784,498
Compensated absences	<u>123,408</u>	<u>110,216</u>	<u>(123,408)</u>	<u>110,216</u>	<u>110,216</u>
Governmental activities long-term liabilities	<u>\$ 7,232,409</u>	<u>\$ 2,310,216</u>	<u>\$ (1,028,456)</u>	<u>\$ 8,514,169</u>	<u>\$ 894,714</u>
<b>Business-Type Activities:</b>					
Loans payable	\$ 7,247,777	\$ 2,069,157	\$ (639,764)	\$ 8,677,170	\$ 664,661
Landfill postclosure care (see note IV.D.)	<u>285,900</u>	<u>-</u>	<u>(30,871)</u>	<u>255,029</u>	<u>11,650</u>
Total noncurrent liabilities	7,533,677	2,069,157	(670,635)	8,932,199	676,311
Compensated absences	<u>111,168</u>	<u>111,099</u>	<u>(111,168)</u>	<u>111,099</u>	<u>111,099</u>
Business-type activities long-term liabilities	<u>\$ 7,644,845</u>	<u>\$ 2,180,256</u>	<u>\$ (781,803)</u>	<u>\$ 9,043,298</u>	<u>\$ 787,410</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**F. Long-Term Liabilities, Continued**

General obligation bonds outstanding at June 30, 2017 were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>
The general obligation bonds series 1998 in the original amount of \$1,740,000 were facilities and refunding bonds. The nonrefunding portion of the bond was authorized by taxpayers in November 1997 to finance construction of police, fire, municipal court, and meeting facilities. These general obligation bonds are direct obligations and pledge the full faith and credit of the City. The Public Safety Building GO Bond fund is used to liquidate these bonds. Final maturity of these 19-year bonds was June 15, 2017.	4.20% to 5.00%	\$ -
The general obligation bonds series 2007 in the original amount of \$8,079,696 were facilities bonds. The bonds were authorized by taxpayers in November 2006 to finance improvements to the wastewater treatment and disposal system of the City. These general obligation bonds are direct obligations and pledge the full faith and credit of the City. The Wastewater Treatment GO Bond fund is used to liquidate these bonds. Final maturity of these 20-year bonds is December 1, 2026.	2.94% plus 0.5% annual fee	<u>4,539,680</u>
Total general obligation bonds outstanding		4,539,680
Less current portion		<u>(420,784)</u>
Long-term portion		<u>\$ 4,118,896</u>

Tax increment financial bonds outstanding at June 30, 2017 were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>
The urban renewal bond series 2012, in the original amount of \$1,640,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The bond matures on June 15, 2027.	3.75%	\$ 1,190,333
The urban renewal bond series 2016, in the original amount of \$2,200,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The bond matures on June 1, 2028.	1.86%	<u>2,027,861</u>
Total debt outstanding		3,218,194
Less current portion		<u>(268,439)</u>
Long-term portion		<u>\$ 2,949,755</u>

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**F. Long-Term Liabilities, Continued**

Notes/loans outstanding at June 30, 2017 were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
The Full Faith and Credit Note, Series 2015, in the original amount of \$621,771, was used as a deposit on the purchase of an aerial fire truck that was purchased in FY2017. The loan is secured by Warrenton Fiber Revenues and matures on December 29, 2025.	2.7690%	\$ 566,954	\$ -
The Columbia Bank loan was a line of credit issued in October 2014 with a two-year maturity. During the year ended June 30, 2017 the City did not make any withdrawals from the line. The loan carried a variable interest rate identified as the Columbia Bank Base Rate plus 1%, with a minimum rate of 5%. The loan matured on October 1, 2016 and was secured by tax-increment revenues.	5.00%	-	-
The Oregon Economic Development Department loan B97004A NCIP Bond in the original amount of \$933,600 was used in the water and sewer enterprises for equipment and facilities. The loan matures on December 1, 2017 and is unsecured.	5.01%	-	78,311
The Oregon Economic Development Department loan B97004B NCIP Bond in the original amount of \$120,675 was used in the water and sewer enterprises for equipment and facilities. The loan matures on December 1, 2018 and is unsecured.	6.0%	-	19,290
The Oregon Economic Development Department loan G99001A Bond in the original amount of \$3,165,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2023 and is secured by water facilities.	5.16%	-	1,297,267
The Oregon Economic Development Department loan S99005 in the original amount of \$2,000,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2021 and is secured by water facilities.	4.1%	-	659,107
The Oregon Economic Development Department loan G99001B in the original amount of \$300,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2024 and is secured by water facilities.	5.16%	-	165,718
The Oregon Economic Development Department loan S02011 in the original amount of \$2,657,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2031 and is secured by water facilities.	1.0%	-	1,427,463
The Oregon Infrastructure Finance Authority loan SZ9012 was issued in the original amount up to \$5,399,048 and was used in the design and construction of a new covered-water reservoir. \$2,699,524 of the loan was forgiven upon completion of the project and was recognized as a capital contribution in 2013. The loan matures on December 1, 2033 and is secured by the net revenues of the water fund.	3.0%	-	2,167,524

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**F. Long-Term Liabilities, Continued**

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
The Oregon Infrastructure Finance Authority loan S17016 was issued in the original amount up to \$1,100,000 and was used to replace manual-read water meters with radio-read water meters. The loan was not fully drawn at June 30, 2017. \$640,000 of the loan is forgivable upon completion of the project. The loan matures on the 19th anniversary of the Repayment Commencement Date and is secured by the net revenues of the water fund.	1.0%	\$ -	\$ 669,931
The Oregon Economic Development Department loan Y04001 in the original amount of \$506,000 was used in the sewer enterprise for equipment and facilities. The loan matures on December 1, 2024 and is secured by sewer and general revenues.	4.62%	-	257,984
The Oregon Department of Environmental Quality loan R94940 in the original amount of \$216,266 was used in the sewer enterprise for equipment and facilities. The loan matures on June 1, 2020 and is secured by sewer revenues.	3.77%	-	47,751
The Oregon Department of Environmental Quality loan R94942 in the original amount of \$1,200,000 was used in the sewer enterprise for biosolids removal. The loan matures on June 1, 2025 and is secured by sewer revenues.	2.91% plus 0.5% annual fee	-	487,598
The Oregon Department of Environmental Quality loan R94945 was issued in the original amount up to \$1,920,304 and was used to make upgrades to the wastewater treatment plant. The loan was not fully drawn at June 30, 2017. DEQ shall forgive fifty percent of the loan or \$500,000, whichever is less, on the date of the first repayment. The loan matures 30 years after the project completion date and is secured by sewer revenues.	1.45% plus 0.5% annual fee	-	1,399,226
Total notes/loans outstanding		566,954	8,677,170
Less current portion		<u>(56,335)</u>	<u>(664,661)</u>
Long-term portion		<u>\$ 510,619</u>	<u>\$ 8,012,509</u>

Loan covenants require the City to establish reserves as follows:

	<u>Business-Type Activities</u>
Oregon Department of Environmental Quality:	
Loan R94940	\$ 17,661
Loan R94942	34,553
Total	<u>\$ 52,214</u>

The reserves are reported as restricted cash on the statement of net position.

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**F. Long-Term Liabilities, Continued**

Annual debt service requirements to maturity for long-term debt at June 30, 2017 are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 745,558	\$ 249,327	\$ 664,661	\$ 235,084
2019	766,482	226,267	672,377	229,061
2020	788,020	202,531	691,134	201,566
2021	810,186	178,101	700,309	177,280
2022	833,005	152,954	721,656	152,293
2023 - 2027	4,183,782	360,921	2,277,796	456,504
2028 - 2032	197,795	2,742	1,606,283	235,198
2033 - 2037	-	-	736,510	90,514
2038 - 2042	-	-	297,367	44,953
2043 - 2047	-	-	279,952	18,363
2048	-	-	29,125	355
Total	<u>\$ 8,324,828</u>	<u>\$ 1,372,843</u>	<u>\$ 8,677,170</u>	<u>\$ 1,841,171</u>

**G. Pension Plans**

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

**Benefits Provided**

1. *Tier One/Tier Two Retirement Benefit (ORS Chapter 238)*

*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, 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 benefit 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 One 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 Two 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.

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2017

#### **Note III - Detailed Notes On All Funds, Continued**

##### **G. Pension Plans, Continued**

###### *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 conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

###### *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.

###### *Benefit Changes*

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000

#### **2. OPSRP Pension Program (OPSRP DB)**

###### *Pension Benefits.*

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. 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 OPSRP 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.



**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**G. Pension Plans, Continued**

*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.

*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.

*Benefit Changes After Retirement*

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

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

*Pension Benefits*

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 Individual Account Program (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.

*Recordkeeping*

OPERS contracts with VOYA Financial to maintain IAP participant records.

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**G. Pension Plans, Continued**

**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. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2017 were \$557,802 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2017 were 17.56 percent for Tier One/Tier Two General Service Member, 17.56 percent for Tier One/Tier Two Police and Fire, 10.36 percent for OPSRP Pension Program General Services, 14.47 percent for OPSRP Police and Fire members and 6 percent for OPSRP Individual Account Program.

**Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2017 the City reported a liability of \$5,015,196 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. 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 entities, actuarially determined. At June 30, 2016, the City's proportion was 0.03340720 percent, which was a changed from its proportion measured as of June 30, 2015 of 0.03518114 percent.

For the year ended June 30, 2017 the City recognized pension expense of \$882,787. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 165,925	\$ -
Change in assumptions	1,069,621	-
Net difference between projected and actual earnings on pension plan investments	990,792	-
Changes in proportionate share	62,950	95,499
Differences between City contributions and proportionate share of contributions	39,117	54,924
Subtotal before post-measurement date contributions	2,328,405	150,423
City contributions subsequent to the measurement date	377,753	-
Total	\$ 2,706,158	\$ 150,423

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**G. Pension Plans, Continued**

Deferred outflows of resources related to pensions of \$377,753 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2017. Net deferred outflows (inflows) of resources of \$2,177,982 will be recognized in pension expense as follows:

Year Ended <u>June 30,</u>		
2018	\$	389,825
2019		389,825
2020		755,281
2021		566,361
2022		<u>76,690</u>
Total	\$	<u><u>2,177,982</u></u>

**Actuarial Assumptions:**

The employer contribution rates effective July 1, 2013, through June 30, 2015, and effective July 1, 2015 through June 30, 2017, were set using the projected unit credit 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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) 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 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution 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 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.

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**G. Pension Plans, Continued**

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014
Measurement Date	June 30, 2016
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.50 percent
Discount Rate	7.50 percent
Project Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and Grade COLA
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits 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 methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

**Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 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. 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. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

[http://www.oregon.gov/pers/docs/financial\\_reports/2016\\_cafr.pdf](http://www.oregon.gov/pers/docs/financial_reports/2016_cafr.pdf)

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note III - Detailed Notes On All Funds, Continued**

**G. Pension Plans, Continued**

**Depletion Date Projection**

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate Share of Net Pension Liability (Asset)	\$ 8,097,870	\$ 5,015,196	\$ 2,438,621

## CITY OF WARRENTON

### Notes to the Financial Statements

June 30, 2017

#### **Note III - Detailed Notes On All Funds, Continued**

##### **G. Pension Plans, Continued**

###### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

###### **Changes in Assumptions and Other Inputs**

Changes in actuarial methods and assumptions implemented since the December 31, 2013 valuation are described in the 2014 Experience Study (Study), published September 2015.

Changes in assumptions from that Study are reported in the table of actuarial methods and assumptions, modifications to the allocation of actuarial accrued liabilities, administrative expense assumptions, healthcare cost inflation, and mortality tables can be found in the Study at:

<http://www.oregon.gov/PERS/Documents/Financials/Actuary/2015/Experience-Study.pdf>.

###### **Changes in Plan Provisions Subsequent to Measurement Date**

At its July 28, 2017 meeting, the PERS Board lowered the assumed earning rate from 7.5% to 7.2%, adding \$2.1 billion to the System's unfunded liability.

#### **Note IV - Other Information**

##### **A. 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; and natural disasters for which the government carries commercial insurance. In 1981, the League of Oregon Cities joined together with the Association of Oregon Cities to form City County Insurance Services ("CCIS"), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CCIS for insurance coverage. Based on the experience of the City and CCIS, the City may be liable for an additional premium of up to 20% of its initial premium or it may receive a refund. The City has not had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

##### **B. Contingencies Under Grant Provisions**

Under terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The City believes disallowances, if any, will be immaterial.

##### **C. Contingent Liabilities**

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations and capital projects. Management intends to contest these matters and does not believe their ultimate resolution will have a material effect upon the City's financial position, results of operations, or cash flows.

**CITY OF WARRENTON**

Notes to the Financial Statements

June 30, 2017

**Note IV - Other Information, Continued**

**D. Postclosure Landfill Care**

The Municipal Solid Waste Landfill ("MSWLF") ceased accepting solid waste in the fall of 1985 and final cover was applied subsequently in conformity with state regulations. The landfill closure permit for the MSWLF was renewed by the Oregon Department of Environmental Quality on February 20, 1997. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site.

The City has recorded a liability for the estimated costs of landfill postclosure care. Annually, the City evaluates the liability by examining the estimated costs needed to perform the postclosure care over the remaining life and adjusts the liability accordingly. During the year ended June 30, 2017 the City's estimated liability changed as follows:

	<u>Landfill postclosure care liability</u>
Balance at June 30, 2016	\$ 285,900
Change in estimate	(19,221)
Maintenance costs paid in 2017	<u>(11,650)</u>
Balance at June 30, 2017	<u>\$ 255,029</u>

The estimated future costs to maintain and monitor the landfill may change due to one or more of the following factors: inflation, deflation, changes in technology or changes to applicable laws or regulations.

**E. Labor Agreements**

There are two labor agreements between the City and its employees (AFSCME Local 2746-5 General Employees and AFSCME Local 2746-1 Police). Both contracts expired June 30, 2017 and are in negotiations.

REQUIRED SUPPLEMENTARY INFORMATION



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**CITY OF WARRENTON**

**CITY OF WARRENTON**

Required Supplementary Information

June 30, 2017

**Schedule of the Proportionate Share of the Net Pension Liability**  
Oregon Public Employees Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.03340720 %	0.03518114 %	0.03043630 %
Proportionate share of the net pension liability (asset)	\$ 5,015,196	\$ 2,019,912	\$ (689,903)
Covered payroll	\$ 3,074,084	\$ 3,036,331	\$ 2,744,201
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	163.14 %	66.52 %	(25.14)%
Plan net position as a percentage of the total pension liability	80.5 %	91.9 %	103.6 %

**Schedule of Pension Contributions**  
Oregon Public Employees Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 557,802	\$ 545,611	\$ 475,054
Contributions in relation to the contractually required contribution	<u>557,802</u>	<u>545,611</u>	<u>475,054</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,074,084	\$ 3,036,331	\$ 2,744,201
Contributions as a percentage of covered employee payroll	18.15 %	17.97 %	17.31 %

**Notes to Required Supplementary Information**

**Note I - Measurement Period**

Amounts presented are for the measurement period reported during the fiscal year, which for FY 2017 is July 1, 2015 - June 30, 2016.

**Note II - Changes in Benefit Terms**

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This change in benefit terms was not included in the net pension liability (asset) proportionate shares provided by OPERS for the year ending June 30, 2015.

**Note III - Changes in Assumptions**

Details and a comprehensive list of changes in methods and assumptions can be found in the 2012 and 2014 Experience Study for the System, which were published on September 18, 2013 and September 23, 2015. These reports can be found at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/mercereports.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/mercereports.aspx)

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**CITY OF WARRENTON**

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**

**CITY OF WARRENTON**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2017

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 612,814	\$ 1,435,738	\$ 1,006,098	\$ 3,054,650
Receivables:				
Taxes	3,918	101,307	-	105,225
Accounts	55,657	-	-	55,657
Intergovernmental	-	302	-	302
Grants receivable	15,709	-	-	15,709
Prepaid items	19,154	-	-	19,154
Total assets	<u>\$ 707,252</u>	<u>\$ 1,537,347</u>	<u>\$ 1,006,098</u>	<u>\$ 3,250,697</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and other	\$ 79,855	\$ -	\$ 12,071	\$ 91,926
Unearned revenue	933	-	-	933
Due to other funds	14,503	-	-	14,503
Total liabilities	<u>95,291</u>	<u>-</u>	<u>12,071</u>	<u>107,362</u>
Deferred Inflows of Resources:				
Unavailable revenues	<u>3,002</u>	<u>77,665</u>	<u>-</u>	<u>80,667</u>
Fund Balances:				
Nonspendable - Prepaid items	19,154	-	-	19,154
Restricted for:				
Debt service	-	1,459,682	-	1,459,682
Library and culture	39,646	-	-	39,646
Public works	152,857	-	-	152,857
Building inspection program	293,156	-	-	293,156
System development	-	-	720,136	720,136
Committed to:				
Library and culture	97,061	-	-	97,061
Grant expenditures	7,085	-	-	7,085
Assigned to:				
Capital projects	<u>-</u>	<u>-</u>	<u>273,891</u>	<u>273,891</u>
Total fund balances	<u>608,959</u>	<u>1,459,682</u>	<u>994,027</u>	<u>3,062,668</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 707,252</u>	<u>\$ 1,537,347</u>	<u>\$ 1,006,098</u>	<u>\$ 3,250,697</u>

**CITY OF WARRENTON**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2017

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes	\$ 281,695	\$ 1,280,005	\$ -	\$ 1,561,700
Licenses and permits	312,831	-	-	312,831
Intergovernmental	71,989	-	-	71,989
Charges for services	14,177	-	-	14,177
Fines and forfeits	261	-	-	261
Investment earnings	4,166	19,973	6,958	31,097
Donations	78,029	-	-	78,029
Other revenue	2,533	-	42	2,575
Total revenues	<u>765,681</u>	<u>1,299,978</u>	<u>7,000</u>	<u>2,072,659</u>
Expenditures:				
Current:				
General government	232,057	-	15,132	247,189
Police	87,545	-	-	87,545
Planning and development	233,558	-	-	233,558
Library and culture	192,561	-	-	192,561
Public works	15,255	-	-	15,255
Debt service:				
Principal retirement	-	812,493	-	812,493
Interest	-	254,179	-	254,179
Capital outlay	-	-	906,551	906,551
Total expenditures	<u>760,976</u>	<u>1,066,672</u>	<u>921,683</u>	<u>2,749,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,705</u>	<u>233,306</u>	<u>(914,683)</u>	<u>(676,672)</u>
Other Financing Sources (Uses):				
Transfers in	15,000	186,017	114,578	315,595
Transfers out	-	(186,017)	-	(186,017)
Capital contributions	-	-	88,770	88,770
Total other financing sources (uses)	<u>15,000</u>	<u>-</u>	<u>203,348</u>	<u>218,348</u>
Net change in fund balances	19,705	233,306	(711,335)	(458,324)
Fund Balances:				
Beginning of year	589,254	1,226,376	1,705,362	3,520,992
End of year	<u>\$ 608,959</u>	<u>\$ 1,459,682</u>	<u>\$ 994,027</u>	<u>\$ 3,062,668</u>

## **NONMAJOR SPECIAL REVENUE FUNDS**

*Special Revenue Funds* account for revenues derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities. Funds included in this fund category are:

***Community Center Fund*** - Accounts for the operational activities of the Community Center.

***Warrenton Business Association Fund*** - Accounts for the operational activities of the Warrenton Business Association, whose goal is to enhance the business community by providing funds for a variety of projects.

***Grant Fund*** - Accounts for grants received from a variety of sources.

***Library Fund*** - Accounts for the operational activity of the library.

***Building Department Fund*** - Accounts for the activities of the Building Division, which is responsible for the enforcement of building, plumbing, mechanical, fire and life safety codes of the State of Oregon.

***Transient Room Tax Fund*** - Accounts for transient room tax to be expended on police, first response medical assistance and infrastructure usage by tourists and other short term visitors, as well as to provide funds for tourist promotion.

***Quincy Robinson Park Trust Fund*** - Accounts for the establishment and maintenance of public parks.



**CITY OF WARRENTON**

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2017

	<u>Community Center (005)</u>	<u>Warrenton Business Association (006)</u>	<u>Grant (015)</u>	<u>Library (020)</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,843	\$ 87,763	\$ 9,456	\$ 43,373
Receivables:				
Taxes	-	-	-	3,918
Accounts	-	-	-	-
Grants receivable	-	-	15,709	-
Prepaid items	<u>-</u>	<u>17,069</u>	<u>-</u>	<u>2,085</u>
Total assets	<u><u>\$ 12,843</u></u>	<u><u>\$ 104,832</u></u>	<u><u>\$ 25,165</u></u>	<u><u>\$ 49,376</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and other	\$ 1,474	\$ 1,138	\$ 3,577	\$ 4,643
Unearned revenue	933	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>14,503</u>	<u>-</u>
Total liabilities	<u>2,407</u>	<u>1,138</u>	<u>18,080</u>	<u>4,643</u>
Deferred Inflows of Resources:				
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,002</u>
Fund Balances:				
Nonspendable - Prepaid items	-	17,069	-	2,085
Restricted for:				
Library and culture	-	-	-	39,646
Public works	-	-	-	-
Building inspection program	-	-	-	-
Committed to:				
Library and culture	10,436	86,625	-	-
Grant expenditures	<u>-</u>	<u>-</u>	<u>7,085</u>	<u>-</u>
Total fund balances	<u>10,436</u>	<u>103,694</u>	<u>7,085</u>	<u>41,731</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 12,843</u></u>	<u><u>\$ 104,832</u></u>	<u><u>\$ 25,165</u></u>	<u><u>\$ 49,376</u></u>

Building Department (021)	Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenue Funds
\$ 303,199	\$ 3,323	\$ 152,857	\$ 612,814
-	-	-	3,918
-	55,657	-	55,657
-	-	-	15,709
-	-	-	19,154
<u>\$ 303,199</u>	<u>\$ 58,980</u>	<u>\$ 152,857</u>	<u>\$ 707,252</u>
\$ 10,043	\$ 58,980	\$ -	\$ 79,855
-	-	-	933
-	-	-	14,503
<u>10,043</u>	<u>58,980</u>	<u>-</u>	<u>95,291</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,002</u>
-	-	-	19,154
-	-	-	39,646
-	-	152,857	152,857
293,156	-	-	293,156
-	-	-	97,061
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,085</u>
<u>293,156</u>	<u>-</u>	<u>152,857</u>	<u>608,959</u>
<u>\$ 303,199</u>	<u>\$ 58,980</u>	<u>\$ 152,857</u>	<u>\$ 707,252</u>

**CITY OF WARRENTON**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2017

	<u>Community Center (005)</u>	<u>Warrenton Business Association (006)</u>	<u>Grant (015)</u>	<u>Library (020)</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 49,666
Licenses and permits	-	49,685	-	-
Intergovernmental	-	-	71,989	-
Charges for services	14,177	-	-	-
Fines and forfeits	-	-	-	261
Investment earnings	43	1,303	-	303
Donations	4,609	5,669	17,525	3,394
Other revenue	25	-	-	2,281
	<u>18,854</u>	<u>56,657</u>	<u>89,514</u>	<u>55,905</u>
Total revenues				
Expenditures:				
Current:				
General government	-	-	28	-
Police	-	-	87,545	-
Planning and development	-	-	-	-
Library and culture	20,219	90,704	-	60,303
Public works	-	-	-	-
	<u>20,219</u>	<u>90,704</u>	<u>87,573</u>	<u>60,303</u>
Debt service:				
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	(1,365)	(34,047)	1,941	(4,398)
Other Financing Sources (Uses):				
Transfers in	-	-	-	15,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Net change in fund balances	(1,365)	(34,047)	1,941	10,602
Fund Balances:				
Beginning of year	11,801	137,741	5,144	31,129
End of year	<u>\$ 10,436</u>	<u>\$ 103,694</u>	<u>\$ 7,085</u>	<u>\$ 41,731</u>

Building Department (021)	Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenue Funds
\$ -	\$ 232,029	\$ -	\$ 281,695
263,146	-	-	312,831
-	-	-	71,989
-	-	-	14,177
-	-	-	261
1,686	-	831	4,166
-	-	46,832	78,029
227	-	-	2,533
<u>265,059</u>	<u>232,029</u>	<u>47,663</u>	<u>765,681</u>
-	232,029	-	232,057
-	-	-	87,545
233,558	-	-	233,558
-	-	21,335	192,561
-	-	15,255	15,255
<u>233,558</u>	<u>232,029</u>	<u>36,590</u>	<u>760,976</u>
31,501	-	11,073	4,705
-	-	-	15,000
31,501	-	11,073	19,705
261,655	-	141,784	589,254
<u>\$ 293,156</u>	<u>\$ -</u>	<u>\$ 152,857</u>	<u>\$ 608,959</u>

**CITY OF WARRENTON**

Community Center Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
<b>Resources:</b>				
Beginning fund balance	\$ 11,000	\$ 11,000	\$ 11,801	\$ 801
Charges for services	10,400	10,400	14,177	3,777
Investment earnings	15	15	43	28
Donations	2,100	2,100	4,609	2,509
Other revenue	-	-	25	25
<b>Total resources</b>	<b><u>\$ 23,515</u></b>	<b><u>\$ 23,515</u></b>	<b><u>\$ 30,655</u></b>	<b><u>\$ 7,140</u></b>
<b>Requirements:</b>				
<b>Community Center:</b>				
Personal services	\$ 7,538	\$ 7,538	\$ 6,507	\$ 1,031
Materials and services	<u>13,770</u>	<u>13,770</u>	<u>13,712</u>	<u>58</u>
Total department expenditures	21,308	21,308	20,219	1,089
Contingency	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	22,308	22,308	20,219	2,089
Ending fund balance	<u>1,207</u>	<u>1,207</u>	<u>10,436</u>	<u>(9,229)</u>
<b>Total requirements</b>	<b><u>\$ 23,515</u></b>	<b><u>\$ 23,515</u></b>	<b><u>\$ 30,655</u></b>	<b><u>\$ (7,140)</u></b>

**CITY OF WARRENTON**

Warrenton Business Association Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 150,850	\$ 150,850	\$ 137,741	\$ (13,109)
Licenses and permits	45,500	45,500	49,685	4,185
Investment earnings	700	700	1,303	603
Donations	<u>-</u>	<u>-</u>	<u>5,669</u>	<u>5,669</u>
Total resources	<u>\$ 197,050</u>	<u>\$ 197,050</u>	<u>\$ 194,398</u>	<u>\$ (2,652)</u>
Requirements:				
Warrenton Business Association:				
Personal services	\$ 5,623	\$ 5,623	\$ 4,658	\$ 965
Materials and services	<u>149,424</u>	<u>149,424</u>	<u>86,046</u>	<u>63,378</u>
Total department expenditures	155,047	155,047	90,704	64,343
Contingency	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	160,047	160,047	90,704	69,343
Ending fund balance	<u>37,003</u>	<u>37,003</u>	<u>103,694</u>	<u>(66,691)</u>
Total requirements	<u>\$ 197,050</u>	<u>\$ 197,050</u>	<u>\$ 194,398</u>	<u>\$ 2,652</u>

**CITY OF WARRENTON**

Grant Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 5,144	\$ 5,144	\$ 5,144	\$ -
Intergovernmental	67,915	77,871	71,989	(5,882)
Donations	300	15,300	17,525	2,225
Total resources	<u>\$ 73,359</u>	<u>\$ 98,315</u>	<u>\$ 94,658</u>	<u>\$ (3,657)</u>
Requirements:				
Police Department:				
Personal services	\$ 60,915	\$ 70,871	\$ 68,618	\$ 2,253
Materials and services	9,409	24,409	18,955	5,454
Total department expenditures	70,324	95,280	87,573	7,707
Ending fund balance	<u>3,035</u>	<u>3,035</u>	<u>7,085</u>	<u>(4,050)</u>
Total requirements	<u>\$ 73,359</u>	<u>\$ 98,315</u>	<u>\$ 94,658</u>	<u>\$ 3,657</u>

**CITY OF WARRENTON**

Library Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 21,000	\$ 21,000	\$ 31,129	\$ 10,129
Taxes	49,552	49,552	49,666	114
Fines and forfeits	200	200	261	61
Investment earnings	100	100	303	203
Donations	5,000	5,600	3,394	(2,206)
Other revenue	875	875	2,281	1,406
Transfers in	-	15,000	15,000	-
Total resources	<u>\$ 76,727</u>	<u>\$ 92,327</u>	<u>\$ 102,034</u>	<u>\$ 9,707</u>
Requirements:				
Library:				
Personal services	\$ 39,024	\$ 39,024	\$ 37,810	\$ 1,214
Materials and services	<u>21,148</u>	<u>28,748</u>	<u>22,493</u>	<u>6,255</u>
Total department expenditures	60,172	67,772	60,303	7,469
Contingency	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total expenditures	60,172	75,772	60,303	15,469
Ending fund balance	<u>16,555</u>	<u>16,555</u>	<u>41,731</u>	<u>(25,176)</u>
Total requirements	<u>\$ 76,727</u>	<u>\$ 92,327</u>	<u>\$ 102,034</u>	<u>\$ (9,707)</u>



**CITY OF WARRENTON**

Building Department Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 230,000	\$ 230,000	\$ 261,655	\$ 31,655
Licenses and permits	213,190	213,190	263,146	49,956
Investment earnings	700	700	1,686	986
Other revenue	-	-	227	227
<b>Total resources</b>	<b><u>\$ 443,890</u></b>	<b><u>\$ 443,890</u></b>	<b><u>\$ 526,714</u></b>	<b><u>\$ 82,824</u></b>
Requirements:				
Building Department:				
Personal services	\$ 198,831	\$ 198,831	\$ 178,750	\$ 20,081
Materials and services	<u>32,720</u>	<u>67,720</u>	<u>54,808</u>	<u>12,912</u>
Total department expenditures	231,551	266,551	233,558	32,993
Contingency	<u>46,310</u>	<u>11,310</u>	<u>-</u>	<u>11,310</u>
Total expenditures	277,861	277,861	233,558	44,303
Ending fund balance	<u>166,029</u>	<u>166,029</u>	<u>293,156</u>	<u>(127,127)</u>
<b>Total requirements</b>	<b><u>\$ 443,890</u></b>	<b><u>\$ 443,890</u></b>	<b><u>\$ 526,714</u></b>	<b><u>\$ (82,824)</u></b>

**CITY OF WARRENTON**

Transient Room Tax Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Taxes	<u>270,000</u>	<u>270,000</u>	<u>232,029</u>	<u>(37,971)</u>
Total resources	<u>\$ 270,000</u>	<u>\$ 270,000</u>	<u>\$ 232,029</u>	<u>\$ (37,971)</u>
Requirements:				
Transient Room Tax Program:				
Materials and services	\$ 270,000	\$ 270,000	\$ 232,029	\$ 37,971
Ending fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total requirements	<u>\$ 270,000</u>	<u>\$ 270,000</u>	<u>\$ 232,029</u>	<u>\$ 37,971</u>

**CITY OF WARRENTON**

Quincy Robinson Park Trust Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 129,379	\$ 129,379	\$ 141,784	\$ 12,405
Investment earnings	300	300	831	531
Donations	<u>45,000</u>	<u>45,000</u>	<u>46,832</u>	<u>1,832</u>
Total resources	<u>\$ 174,679</u>	<u>\$ 174,679</u>	<u>\$ 189,447</u>	<u>\$ 14,768</u>
Requirements:				
Capital outlay	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>\$ 36,590</u>	<u>\$ 93,410</u>
Total department expenditures	130,000	130,000	36,590	93,410
Contingency	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total expenditures	136,000	136,000	36,590	99,410
Ending fund balance	<u>38,679</u>	<u>38,679</u>	<u>152,857</u>	<u>(114,178)</u>
Total requirements	<u>\$ 174,679</u>	<u>\$ 174,679</u>	<u>\$ 189,447</u>	<u>\$ (14,768)</u>

### **NONMAJOR DEBT SERVICE FUNDS**

*Debt Service Funds* account for the accumulation of resources for and payment of general long-term debt principal and interest. Funds included in this category are:

***Public Safety Building GO Bond Fund*** - Accounts for the payment of principal and interest on the general obligation bonds issued on November 4, 1997 for the construction of a Public Safety Building.

***Wastewater Treatment GO Bond Fund*** - Accounts for the payment of principal and interest on the general obligation bonds approved by voters on November 7, 2006 for the construction of the wastewater treatment facility.

***Warrenton Urban Renewal Agency Debt Service Fund*** - Accounts for the payment of principal and interest on the debt related to improvements of the downtown area funded through the Warrenton Urban Renewal Agency.

***Warrenton Urban Renewal Agency Debt Reserve Fund*** - Accounts for funds set aside for the payment of principal and interest on the debt related to improvements of the downtown area funded through the Warrenton Urban Renewal Agency.

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**

**CITY OF WARRENTON**  
 Nonmajor Debt Service Funds  
 Combining Balance Sheet  
 June 30, 2017

	Public Safety Building GO Bond (057)	Wastewater Treatment GO Bond (059)	Warrenton Urban Renewal Agency Debt Service (300)	Warrenton Urban Renewal Agency Debt Reserve (400)	Total Nonmajor Debt Service Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 23,023	\$ 90,674	\$ 972,024	\$ 350,017	\$ 1,435,738
Receivables:					
Taxes	11,361	46,280	43,666	-	101,307
Intergovernmental	<u>-</u>	<u>-</u>	<u>302</u>	<u>-</u>	<u>302</u>
Total assets	<u>\$ 34,384</u>	<u>\$ 136,954</u>	<u>\$ 1,015,992</u>	<u>\$ 350,017</u>	<u>\$ 1,537,347</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Deferred Inflows of Resources:					
Unavailable revenues	\$ 8,755	\$ 35,745	\$ 33,165	\$ -	\$ 77,665
Fund Balances:					
Restricted for:					
Debt service	<u>25,629</u>	<u>101,209</u>	<u>982,827</u>	<u>350,017</u>	<u>1,459,682</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,384</u>	<u>\$ 136,954</u>	<u>\$ 1,015,992</u>	<u>\$ 350,017</u>	<u>\$ 1,537,347</u>

**CITY OF WARRENTON**

Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2017

	<u>Public Safety Building GO Bond (057)</u>	<u>Wastewater Treatment GO Bond (059)</u>	<u>Warrenton Urban Renewal Agency Debt Service (300)</u>	<u>Warrenton Urban Renewal Agency Debt Reserve (400)</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:					
Taxes	\$ 138,860	\$ 564,760	\$ 576,385	\$ -	\$ 1,280,005
Investment earnings	<u>1,179</u>	<u>3,171</u>	<u>15,623</u>	<u>-</u>	<u>19,973</u>
Total revenues	<u>140,039</u>	<u>567,931</u>	<u>592,008</u>	<u>-</u>	<u>1,299,978</u>
Expenditures:					
Current:					
Debt service:					
Principal retirement	135,000	408,680	268,813	-	812,493
Interest	<u>6,750</u>	<u>166,227</u>	<u>81,202</u>	<u>-</u>	<u>254,179</u>
Total expenditures	<u>141,750</u>	<u>574,907</u>	<u>350,015</u>	<u>-</u>	<u>1,066,672</u>
Excess (deficiency) of revenues over (under) expenditures	(1,711)	(6,976)	241,993	-	233,306
Other Financing Sources (Uses):					
Transfers in	-	-	-	186,017	186,017
Transfers out	<u>-</u>	<u>-</u>	<u>(186,017)</u>	<u>-</u>	<u>(186,017)</u>
Net change in fund balances	(1,711)	(6,976)	55,976	186,017	233,306
Fund Balances:					
Beginning of year	<u>27,340</u>	<u>108,185</u>	<u>926,851</u>	<u>164,000</u>	<u>1,226,376</u>
End of year	<u>\$ 25,629</u>	<u>\$ 101,209</u>	<u>\$ 982,827</u>	<u>\$ 350,017</u>	<u>\$ 1,459,682</u>

**CITY OF WARRENTON**

Public Safety Building GO Bond Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 14,000	\$ 14,000	\$ 27,340	\$ 13,340
Taxes	127,450	127,450	138,860	11,410
Investment earnings	300	300	1,179	879
Total resources	<u>\$ 141,750</u>	<u>\$ 141,750</u>	<u>\$ 167,379</u>	<u>\$ 25,629</u>
Requirements:				
Debt service	\$ 141,750	\$ 141,750	\$ 141,750	\$ -
Ending fund balance	-	-	25,629	(25,629)
Total requirements	<u>\$ 141,750</u>	<u>\$ 141,750</u>	<u>\$ 167,379</u>	<u>\$ (25,629)</u>



**CITY OF WARRENTON**

Wastewater Treatment GO Bond Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Unrestricted Fund Balance	\$ 58,000	\$ 58,000	\$ 108,185	\$ 50,185
Taxes	562,001	562,001	564,760	2,759
Investment earnings	900	900	3,171	2,271
Total resources	<u>\$ 620,901</u>	<u>\$ 620,901</u>	<u>\$ 676,116</u>	<u>\$ 55,215</u>
Requirements:				
Debt service	\$ 574,908	\$ 574,908	\$ 574,907	\$ 1
Ending fund balance	<u>45,993</u>	<u>45,993</u>	<u>101,209</u>	<u>(55,216)</u>
Total requirements	<u>\$ 620,901</u>	<u>\$ 620,901</u>	<u>\$ 676,116</u>	<u>\$ (55,215)</u>

**CITY OF WARRENTON**

Warrenton Urban Renewal Agency Debt Service Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,077,513	\$ 1,077,513	\$ 926,851	\$ (150,662)
Taxes	550,284	550,284	576,385	26,101
Investment earnings	9,699	9,699	15,623	5,924
Total resources	<u>\$ 1,637,496</u>	<u>\$ 1,637,496</u>	<u>\$ 1,518,859</u>	<u>\$ (118,637)</u>
Requirements:				
Debt service	\$ 645,607	\$ 645,607	\$ 350,015	\$ 295,592
Transfers out	<u>300,000</u>	<u>300,000</u>	<u>186,017</u>	<u>113,983</u>
Total expenditures	945,607	945,607	536,032	409,575
Ending fund balance	<u>691,889</u>	<u>691,889</u>	<u>982,827</u>	<u>(290,938)</u>
Total requirements	<u>\$ 1,637,496</u>	<u>\$ 1,637,496</u>	<u>\$ 1,518,859</u>	<u>\$ 118,637</u>

**CITY OF WARRENTON**

Warrenton Urban Renewal Agency Debt Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 164,000	\$ 164,000	\$ 164,000	\$ -
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>186,017</u>	<u>(113,983)</u>
Total resources	<u>\$ 464,000</u>	<u>\$ 464,000</u>	<u>\$ 350,017</u>	<u>\$ (113,983)</u>
Requirements:				
Debt service	\$ 464,000	\$ 464,000	\$ -	\$ 464,000
Ending fund balance	<u>-</u>	<u>-</u>	<u>350,017</u>	<u>(350,017)</u>
Total requirements	<u>\$ 464,000</u>	<u>\$ 464,000</u>	<u>\$ 350,017</u>	<u>\$ 113,983</u>

## **NONMAJOR CAPITAL PROJECTS FUNDS**

*Capital Project Funds* are used to account for the acquisition or construction of major capital facilities. Funds included in this category are:

***Parks System Development Charges Fund*** - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

***Community Center Capital Reserve Fund*** - Accumulates resources from the operational surplus of the Community Center Fund for the financing of services, projects, property, and equipment purchases.

***Facilities Maintenance Fund*** - Accumulates money for financing the costs of major maintenance and capital improvements of the Municipal Building, Head Start Building, and Park Facilities.

***Streets System Development Charges Fund*** - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

***Police Vehicle Replacement Fund*** - Accumulates money for financing the costs of police vehicles.

***Fire Apparatus Replacement Fund*** - Accumulates money for financing the costs of fire apparatus.

***Tansy Point Dock Capital Reserve Fund*** - Accumulates money for financing the costs of major maintenance and capital improvements to the Tansy Point Dock.

**CITY OF WARRENTON**

Nonmajor Capital Projects Funds

Combining Balance Sheet

June 30, 2017

	<u>Parks System Development Charges (003)</u>	<u>Community Center Capital Reserve (004)</u>	<u>Facilities Maintenance (035)</u>	<u>Streets System Development Charges (041)</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 79,499	\$ 1,587	\$ 93,722	\$ 640,637
Total assets	<u>\$ 79,499</u>	<u>\$ 1,587</u>	<u>\$ 93,722</u>	<u>\$ 640,637</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and other	\$ -	\$ -	\$ 902	\$ -
Fund Balances:				
Restricted for:				
System development	79,499	-	-	640,637
Assigned to:				
Capital projects	<u>-</u>	<u>1,587</u>	<u>92,820</u>	<u>-</u>
Total fund balances	<u>79,499</u>	<u>1,587</u>	<u>92,820</u>	<u>640,637</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 79,499</u>	<u>\$ 1,587</u>	<u>\$ 93,722</u>	<u>\$ 640,637</u>

<u>Police Vehicle Replacement (070)</u>	<u>Fire Apparatus Replacement (071)</u>	<u>Tansy Point Dock Capital Reserve (072)</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 6,611	\$ 81,520	\$ 102,522	\$ 1,006,098
<u>\$ 6,611</u>	<u>\$ 81,520</u>	<u>\$ 102,522</u>	<u>\$ 1,006,098</u>
\$ -	\$ 11,169	\$ -	\$ 12,071
-	-	-	720,136
<u>6,611</u>	<u>70,351</u>	<u>102,522</u>	<u>273,891</u>
<u>6,611</u>	<u>70,351</u>	<u>102,522</u>	<u>994,027</u>
<u>\$ 6,611</u>	<u>\$ 81,520</u>	<u>\$ 102,522</u>	<u>\$ 1,006,098</u>

**CITY OF WARRENTON**

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2017

	<u>Parks System Development Charges (003)</u>	<u>Community Center Capital Reserve (004)</u>	<u>Facilities Maintenance (035)</u>	<u>Streets System Development Charges (041)</u>
Revenues:				
Investment earnings	\$ 306	\$ -	\$ 504	\$ 4,693
Other revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>306</u>	<u>-</u>	<u>504</u>	<u>4,693</u>
Expenditures:				
Current:				
General government	-	-	15,132	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>15,132</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	306	-	(14,628)	4,693
Other Financing Sources (Uses):				
Transfers in	-	-	40,000	-
Capital contributions	<u>23,080</u>	<u>-</u>	<u>-</u>	<u>65,690</u>
Net change in fund balances	23,386	-	25,372	70,383
Fund Balances:				
Beginning of year	<u>56,113</u>	<u>1,587</u>	<u>67,448</u>	<u>570,254</u>
End of year	<u>\$ 79,499</u>	<u>\$ 1,587</u>	<u>\$ 92,820</u>	<u>\$ 640,637</u>

Police Vehicle Replacement (070)	Fire Apparatus Replacement (071)	Tansy Point Dock Capital Reserve (072)	Total Nonmajor Capital Projects Funds
\$ 23	\$ 653	\$ 779	\$ 6,958
42	-	-	42
<u>65</u>	<u>653</u>	<u>779</u>	<u>7,000</u>
-	-	-	15,132
<u>43,212</u>	<u>863,339</u>	<u>-</u>	<u>906,551</u>
<u>43,212</u>	<u>863,339</u>	<u>-</u>	<u>921,683</u>
(43,147)	(862,686)	779	(914,683)
15,000	40,000	19,578	114,578
<u>-</u>	<u>-</u>	<u>-</u>	<u>88,770</u>
(28,147)	(822,686)	20,357	(711,335)
<u>34,758</u>	<u>893,037</u>	<u>82,165</u>	<u>1,705,362</u>
<u>\$ 6,611</u>	<u>\$ 70,351</u>	<u>\$ 102,522</u>	<u>\$ 994,027</u>



**CITY OF WARRENTON**

Parks System Development Charges Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 46,109	\$ 46,109	\$ 56,113	\$ 10,004
Investment earnings	-	-	306	306
System development charges	<u>22,000</u>	<u>22,000</u>	<u>23,080</u>	<u>1,080</u>
Total resources	<u>\$ 68,109</u>	<u>\$ 68,109</u>	<u>\$ 79,499</u>	<u>\$ 11,390</u>
Requirements:				
Parks Department:				
Capital outlay	\$ 68,109	\$ 68,109	\$ -	\$ 68,109
Ending fund balance	<u>-</u>	<u>-</u>	<u>79,499</u>	<u>(79,499)</u>
Total requirements	<u>\$ 68,109</u>	<u>\$ 68,109</u>	<u>\$ 79,499</u>	<u>\$ (11,390)</u>

**CITY OF WARRENTON**

Community Center Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources				
Beginning fund balance	<u>\$ 1,587</u>	<u>\$ 1,587</u>	<u>\$ 1,587</u>	<u>\$ -</u>
Total resources	<u><u>\$ 1,587</u></u>	<u><u>\$ 1,587</u></u>	<u><u>\$ 1,587</u></u>	<u><u>\$ -</u></u>
Requirements:				
Community Center:				
Materials and services	<u>\$ 1,587</u>	<u>\$ 1,587</u>	<u>\$ -</u>	<u>\$ 1,587</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>1,587</u>	<u>(1,587)</u>
Total requirements	<u><u>\$ 1,587</u></u>	<u><u>\$ 1,587</u></u>	<u><u>\$ 1,587</u></u>	<u><u>\$ -</u></u>

**CITY OF WARRENTON**

Facilities Maintenance Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 25,000	\$ 25,000	\$ 67,448	\$ 42,448
Investment earnings	300	300	504	204
Transfers in	<u>55,000</u>	<u>55,000</u>	<u>40,000</u>	<u>(15,000)</u>
Total resources	<u>\$ 80,300</u>	<u>\$ 80,300</u>	<u>\$ 107,952</u>	<u>\$ 27,652</u>
 Requirements:				
Facilities Maintenance:				
Materials and services	\$ 54,140	\$ 54,140	\$ 15,132	\$ 39,008
Contingency	<u>26,160</u>	<u>26,160</u>	<u>-</u>	<u>26,160</u>
Total expenditures	80,300	80,300	15,132	65,168
Ending fund balance	<u>-</u>	<u>-</u>	<u>92,820</u>	<u>(92,820)</u>
Total requirements	<u>\$ 80,300</u>	<u>\$ 80,300</u>	<u>\$ 107,952</u>	<u>\$ (27,652)</u>

**CITY OF WARRENTON**

Streets System Development Charges Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 534,000	\$ 534,000	\$ 570,254	\$ 36,254
Investment earnings	360	360	4,693	4,333
System development charges	<u>92,687</u>	<u>92,687</u>	<u>65,690</u>	<u>(26,997)</u>
Total resources	<u>\$ 627,047</u>	<u>\$ 627,047</u>	<u>\$ 640,637</u>	<u>\$ 13,590</u>
Requirements:				
Streets Department:				
Capital outlay	\$ 627,047	\$ 627,047	\$ -	\$ 627,047
Ending fund balance	<u>-</u>	<u>-</u>	<u>640,637</u>	<u>(640,637)</u>
Total requirements	<u>\$ 627,047</u>	<u>\$ 627,047</u>	<u>\$ 640,637</u>	<u>\$ (13,590)</u>

**CITY OF WARRENTON**

Police Vehicle Replacement Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 34,751	\$ 34,751	\$ 34,758	\$ 7
Investment earnings	20	20	23	3
Other revenue	-	-	42	42
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total resources	<u>\$ 49,771</u>	<u>\$ 49,771</u>	<u>\$ 49,823</u>	<u>\$ 52</u>
Requirements:				
Police Department:				
Capital outlay	\$ 47,500	\$ 47,500	\$ 43,212	\$ 4,288
Ending fund balance	<u>2,271</u>	<u>2,271</u>	<u>6,611</u>	<u>(4,340)</u>
Total requirements	<u>\$ 49,771</u>	<u>\$ 49,771</u>	<u>\$ 49,823</u>	<u>\$ (52)</u>

**CITY OF WARRENTON**

Fire Apparatus Replacement Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 893,006	\$ 893,006	\$ 893,037	\$ 31
Investment earnings	750	750	653	(97)
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total resources	<u>\$ 933,756</u>	<u>\$ 933,756</u>	<u>\$ 933,690</u>	<u>\$ (66)</u>
Requirements:				
Fire Department:				
Capital outlay	\$ 933,756	\$ 933,756	\$ 863,339	\$ 70,417
Ending fund balance	<u>-</u>	<u>-</u>	<u>70,351</u>	<u>(70,351)</u>
Total requirements	<u>\$ 933,756</u>	<u>\$ 933,756</u>	<u>\$ 933,690</u>	<u>\$ 66</u>

**CITY OF WARRENTON**

Tansy Point Dock Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 82,100	\$ 82,100	\$ 82,165	\$ 65
Investment earnings	300	300	779	479
Transfers in	<u>19,578</u>	<u>19,578</u>	<u>19,578</u>	<u>-</u>
Total resources	<u>\$ 101,978</u>	<u>\$ 101,978</u>	<u>\$ 102,522</u>	<u>\$ 544</u>
 Requirements:				
Administration:				
Capital outlay	\$ 101,978	\$ 101,978	\$ -	\$ 101,978
Ending fund balance	<u>-</u>	<u>-</u>	<u>102,522</u>	<u>(102,522)</u>
Total requirements	<u>\$ 101,978</u>	<u>\$ 101,978</u>	<u>\$ 102,522</u>	<u>\$ (544)</u>

## ENTERPRISE FUNDS

*Enterprise Funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services are financed or recovered primarily through user charges. Funds included in this category are:

***Water Operating Fund*** - Accounts for the operation, maintenance, and improvements of the water treatment, transmission and distribution systems.

***Water System Development*** - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

***Water Capital Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Sewer Operating Fund*** - Accounts for the operation, maintenance, and improvements of the sewer system.

***Sewer System Development Fund*** - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

***Sewer Capital Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Storm Sewer Operating Fund*** - Accounts for the storm sewer surcharge on all sewer bills and is used to expand and improve storm drainage systems.

***Storm System Development Charges Fund*** - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

***Sanitation Operating Fund*** - Accounts for the operations of the residential and commercial trash collection unit.

***Sanitation Capital Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Warrenton Marina Fund*** - Accounts for the operation, maintenance and improvements of the Marina.

***Warrenton Marina Capital Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Hammond Marina Fund*** - Accounts for the operation, maintenance and improvements of the Marina.

***Hammond Marina Capital Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.



*"Making a difference through excellence of service"*



**CITY OF WARRENTON**

**CITY OF WARRENTON**

Water Enterprise

Combining Statement of Net Position

June 30, 2017

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 835,808	\$ 109,561	\$ 1,653,086	\$ 2,598,455
Utility receivables	246,324	-	-	246,324
Grants receivable	20,000	-	-	20,000
Other receivables	32,317	3,300	-	35,617
Inventory, at cost	868,082	-	-	868,082
Prepaid expenses	761	-	-	761
Total current assets	<u>2,003,292</u>	<u>112,861</u>	<u>1,653,086</u>	<u>3,769,239</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	295,912	-	-	295,912
Depreciable assets, net	<u>15,574,848</u>	<u>-</u>	<u>-</u>	<u>15,574,848</u>
Total noncurrent assets	<u>15,870,760</u>	<u>-</u>	<u>-</u>	<u>15,870,760</u>
Total assets	<u>17,874,052</u>	<u>112,861</u>	<u>1,653,086</u>	<u>19,639,999</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions	<u>429,467</u>	<u>-</u>	<u>-</u>	<u>429,467</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and other	161,980	-	4,143	166,123
Accrued interest payable	107,693	-	-	107,693
Compensated absences	46,794	-	-	46,794
Loans payable - current	<u>524,012</u>	<u>-</u>	<u>-</u>	<u>524,012</u>
Total current liabilities	840,479	-	4,143	844,622
Noncurrent liabilities:				
Loans payable	5,912,773	-	-	5,912,773
Net pension liability	<u>795,912</u>	<u>-</u>	<u>-</u>	<u>795,912</u>
Total liabilities	<u>7,549,164</u>	<u>-</u>	<u>4,143</u>	<u>7,553,307</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pensions	<u>23,872</u>	<u>-</u>	<u>-</u>	<u>23,872</u>
<b>NET POSITION</b>				
Net investment in capital assets	9,433,975	-	-	9,433,975
Restricted for system development	-	112,861	-	112,861
Unrestricted	<u>1,296,508</u>	<u>-</u>	<u>1,648,943</u>	<u>2,945,451</u>
Total net position	<u>\$ 10,730,483</u>	<u>\$ 112,861</u>	<u>\$ 1,648,943</u>	<u>\$ 12,492,287</u>

**CITY OF WARRENTON**

Water Enterprise

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2017

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
Operating revenues:				
Charges for services	\$ 2,776,781	\$ -	\$ -	\$ 2,776,781
Other revenue	4,339	-	-	4,339
Total operating revenues	<u>2,781,120</u>	<u>-</u>	<u>-</u>	<u>2,781,120</u>
Operating Expenses:				
Payroll and payroll benefits	951,219	-	-	951,219
Contracted services	116,387	-	-	116,387
Utilities and telephone	92,609	-	-	92,609
Repairs and maintenance	318,813	-	2,807	321,620
Other operating expenses	153,297	-	-	153,297
Overhead cost allocation	164,325	-	-	164,325
Depreciation	731,012	-	-	731,012
Total operating expenses	<u>2,527,662</u>	<u>-</u>	<u>2,807</u>	<u>2,530,469</u>
Operating income (loss)	<u>253,458</u>	<u>-</u>	<u>(2,807)</u>	<u>250,651</u>
Nonoperating Revenues (Expenses):				
Investment earnings	12,857	498	-	13,355
Intergovernmental	20,000	-	-	20,000
Gain/(loss) on disposition of capital assets	(8,179)	-	-	(8,179)
Interest expense	(193,700)	-	-	(193,700)
Total nonoperating revenues (expenses)	<u>(169,022)</u>	<u>498</u>	<u>-</u>	<u>(168,524)</u>
Income (loss) before contributions	84,436	498	(2,807)	82,127
Capital contributions	-	80,883	-	80,883
Capital transfers, net	140,016	-	(140,016)	-
Debt transfers, net	73,000	(73,000)	-	-
Net transfers within Enterprise	<u>(480,547)</u>	<u>-</u>	<u>480,547</u>	<u>-</u>
Change in net position	(183,095)	8,381	337,724	163,010
Net Position:				
Beginning of year	10,913,578	104,480	1,311,219	12,329,277
End of year	<u>\$ 10,730,483</u>	<u>\$ 112,861</u>	<u>\$ 1,648,943</u>	<u>\$ 12,492,287</u>

**CITY OF WARRENTON**

Water Enterprise

Combining Statement of Cash Flows

For the Year Ended June 30, 2017

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 2,754,963	\$ -	\$ -	\$ 2,754,963
Payments to suppliers and contractors	(1,285,270)	-	(2,807)	(1,288,077)
Payments to employees	(678,116)	-	-	(678,116)
Payments for interfund services	<u>(306,196)</u>	<u>-</u>	<u>-</u>	<u>(306,196)</u>
Net cash provided by (used in) operating	<u>485,381</u>	<u>-</u>	<u>(2,807)</u>	<u>482,574</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers within enterprise, net	<u>(480,547)</u>	<u>-</u>	<u>480,547</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(480,547)</u>	<u>-</u>	<u>480,547</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from debt issuance	669,931	-	-	669,931
Capital contributions	-	80,883	-	80,883
Acquisition and construction of capital assets	-	-	(135,873)	(135,873)
Principal paid on debt	(432,415)	(73,000)	-	(505,415)
Interest paid on debt	<u>(204,708)</u>	<u>-</u>	<u>-</u>	<u>(204,708)</u>
Net cash used in capital and related financing activities	<u>32,808</u>	<u>7,883</u>	<u>(135,873)</u>	<u>(95,182)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	<u>12,857</u>	<u>498</u>	<u>-</u>	<u>13,355</u>
Net change in cash and cash equivalents	50,499	8,381	341,867	400,747
Cash and cash equivalents:				
Beginning of year	785,309	101,180	1,311,219	2,197,708
End of year	<u>\$ 835,808</u>	<u>\$ 109,561</u>	<u>\$ 1,653,086</u>	<u>\$ 2,598,455</u>

Continued on next page

**CITY OF WARRENTON**

Water Enterprise

Combining Statement of Cash Flows, Continued

For the Year Ended June 30, 2017

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 253,458	\$ -	\$ (2,807)	\$ 250,651
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	731,012	-	-	731,012
Net increase (decrease) of expense under GASB 68	119,824	-	-	119,824
(Increase) decrease in assets:				
Receivables	(26,157)	-	-	(26,157)
Inventory, at cost	(642,491)	-	-	(642,491)
Prepaid items	6,146	-	-	6,146
Increase (decrease) in liabilities:				
Accounts payable and other	32,181	-	-	32,181
Compensated absences	11,408	-	-	11,408
	<u>485,381</u>	<u>-</u>	<u>(2,807)</u>	<u>482,574</u>
Net cash provided by (used in) operating activities	<u>\$ 485,381</u>	<u>\$ -</u>	<u>\$ (2,807)</u>	<u>\$ 482,574</u>
<b>Schedule of noncash transactions:</b>				
Capital assets transferred between funds	<u>\$ 140,016</u>	<u>\$ -</u>	<u>\$ (140,016)</u>	<u>\$ -</u>
Debt principal payments transferred between funds	<u>\$ 73,000</u>	<u>\$ (73,000)</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WARRENTON**

Sewer Enterprise

Statement of Net Position

June 30, 2017

	<u>Operating (030)</u>	<u>System Development (036)</u>	<u>Capital Reserve (038)</u>	<u>Storm (028)</u>	<u>Storm System Development Charges (051)</u>	<u>Total Sewer Enterprise</u>
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 1,307,896	\$ 141,598	\$ 1,292,057	\$ 296,367	\$ 27,979	\$ 3,065,897
Utility receivables	248,413	-	-	40,295	-	288,708
Grants receivable	2,863	-	-	-	-	2,863
Other receivables	2,481	-	-	-	-	2,481
Inventory, at cost	111,514	-	-	5,802	-	117,316
Prepaid expenses	640	-	-	66	-	706
Total current assets	<u>1,673,807</u>	<u>141,598</u>	<u>1,292,057</u>	<u>342,530</u>	<u>27,979</u>	<u>3,477,971</u>
Noncurrent assets:						
Restricted cash	52,214	-	-	-	-	52,214
Capital assets:						
Nondepreciable assets	1,831,498	-	-	25,350	-	1,856,848
Depreciable assets, net	<u>9,163,337</u>	<u>-</u>	<u>-</u>	<u>688,017</u>	<u>-</u>	<u>9,851,354</u>
Total noncurrent assets	<u>11,047,049</u>	<u>-</u>	<u>-</u>	<u>713,367</u>	<u>-</u>	<u>11,760,416</u>
Total assets	<u>12,720,856</u>	<u>141,598</u>	<u>1,292,057</u>	<u>1,055,897</u>	<u>27,979</u>	<u>15,238,387</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions	<u>328,257</u>	<u>-</u>	<u>-</u>	<u>34,098</u>	<u>-</u>	<u>362,355</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable and other	61,275	-	250,061	11,771	-	323,107
Accrued interest payable	14,458	-	-	-	-	14,458
Compensated absences	30,785	-	-	4,268	-	35,053
Loans payable - current	<u>140,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,649</u>
Total current liabilities	<u>247,167</u>	<u>-</u>	<u>250,061</u>	<u>16,039</u>	<u>-</u>	<u>513,267</u>
Noncurrent liabilities:						
Loans payable	2,099,736	-	-	-	-	2,099,736
Net pension liability	<u>608,343</u>	<u>-</u>	<u>-</u>	<u>63,191</u>	<u>-</u>	<u>671,534</u>
Total liabilities	<u>2,955,246</u>	<u>-</u>	<u>250,061</u>	<u>79,230</u>	<u>-</u>	<u>3,284,537</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to pensions	<u>18,246</u>	<u>-</u>	<u>-</u>	<u>1,895</u>	<u>-</u>	<u>20,141</u>
<b>NET POSITION</b>						
Net investment in capital assets	8,754,450	-	-	713,367	-	9,467,817
Restricted for system development	-	141,598	-	-	27,979	169,577
Unrestricted	<u>1,321,171</u>	<u>-</u>	<u>1,041,996</u>	<u>295,503</u>	<u>-</u>	<u>2,658,670</u>
Total net position	<u>\$10,075,621</u>	<u>\$ 141,598</u>	<u>\$ 1,041,996</u>	<u>\$ 1,008,870</u>	<u>\$ 27,979</u>	<u>\$12,296,064</u>

**CITY OF WARRENTON**

Sewer Enterprise

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2017

	<u>Operating (030)</u>	<u>System Development (036)</u>	<u>Capital Reserve (038)</u>	<u>Storm (028)</u>	<u>Storm System Development Charges (051)</u>	<u>Total Sewer Enterprise</u>
Operating revenues:						
Charges for services	\$ 2,450,537	\$ -	\$ -	\$ 395,837	\$ -	\$ 2,846,374
Other revenue	<u>3,292</u>	<u>-</u>	<u>-</u>	<u>614</u>	<u>-</u>	<u>3,906</u>
Total operating revenues	<u>2,453,829</u>	<u>-</u>	<u>-</u>	<u>396,451</u>	<u>-</u>	<u>2,850,280</u>
Operating Expenses:						
Payroll and payroll benefits	722,822	-	-	112,929	-	835,751
Contracted services	130,461	-	-	60,084	-	190,545
Utilities and telephone	187,215	-	-	9,720	-	196,935
Repairs and maintenance	208,378	-	4,077	34,349	-	246,804
Other operating expenses	139,820	-	-	4,845	-	144,665
Overhead cost allocation	129,421	-	-	38,303	-	167,724
Depreciation	<u>617,100</u>	<u>-</u>	<u>-</u>	<u>51,379</u>	<u>-</u>	<u>668,479</u>
Total operating expenses	<u>2,135,217</u>	<u>-</u>	<u>4,077</u>	<u>311,609</u>	<u>-</u>	<u>2,450,903</u>
Operating income (loss)	<u>318,612</u>	<u>-</u>	<u>(4,077)</u>	<u>84,842</u>	<u>-</u>	<u>399,377</u>
Nonoperating Revenues (Expenses):						
Investment earnings	10,159	1,185	-	1,534	292	13,170
Intergovernmental	36,306	-	-	-	-	36,306
Interest expense	<u>(9,744)</u>	<u>(31,058)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,802)</u>
Total nonoperating revenues (expenses)	<u>36,721</u>	<u>(29,873)</u>	<u>-</u>	<u>1,534</u>	<u>292</u>	<u>8,674</u>
Income (loss) before contributions	355,333	(29,873)	(4,077)	86,376	292	408,051
Capital contributions	-	69,311	-	-	9,312	78,623
Capital transfers, net	1,572,292	-	(1,572,292)	79,323	(79,323)	-
Debt transfers, net	79,579	(79,579)	-	-	-	-
Net transfers within Enterprise	<u>(2,028,147)</u>	<u>-</u>	<u>2,028,147</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(20,943)	(40,141)	451,778	165,699	(69,719)	486,674
Net Position:						
Beginning of year	<u>10,096,564</u>	<u>181,739</u>	<u>590,218</u>	<u>843,171</u>	<u>97,698</u>	<u>11,809,390</u>
End of year	<u>\$10,075,621</u>	<u>\$ 141,598</u>	<u>\$ 1,041,996</u>	<u>\$ 1,008,870</u>	<u>\$ 27,979</u>	<u>\$12,296,064</u>

**CITY OF WARRENTON**

Sewer Enterprise

Statement of Cash Flows

For the Year Ended June 30, 2017

	<u>Operating (030)</u>	<u>System Development (036)</u>	<u>Capital Reserve (038)</u>	<u>Storm (028)</u>	<u>Storm System Development Charges (051)</u>	<u>Total Sewer Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 2,439,022	\$ -	\$ -	\$ 393,806	\$ -	\$ 2,832,828
Payments to suppliers and contractors	(688,705)	-	(4,077)	(120,492)	-	(813,274)
Payments to employees	(607,187)	-	-	(68,099)	-	(675,286)
Payments for interfund services	<u>(241,157)</u>	<u>-</u>	<u>-</u>	<u>(71,372)</u>	<u>-</u>	<u>(312,529)</u>
Net cash provided by (used in) operating	<u>901,973</u>	<u>-</u>	<u>(4,077)</u>	<u>133,843</u>	<u>-</u>	<u>1,031,739</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Intergovernmental operating grants received	33,443	-	-	-	-	33,443
Transfers within enterprise, net	<u>(2,028,147)</u>	<u>-</u>	<u>2,028,147</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(1,994,704)</u>	<u>-</u>	<u>2,028,147</u>	<u>-</u>	<u>-</u>	<u>33,443</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from debt issuance	1,399,226	-	-	-	-	1,399,226
Capital contributions	-	69,311	-	-	9,312	78,623
Acquisition and construction of capital assets	1	-	(1,330,881)	(98,087)	(79,323)	(1,508,290)
Principal paid on debt	(54,770)	(79,579)	-	-	-	(134,349)
Interest paid on debt	<u>(7,098)</u>	<u>(31,058)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,156)</u>
Net cash used in capital and related financing activities	<u>1,337,359</u>	<u>(41,326)</u>	<u>(1,330,881)</u>	<u>(98,087)</u>	<u>(70,011)</u>	<u>(202,946)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends received	<u>10,159</u>	<u>1,185</u>	<u>-</u>	<u>1,534</u>	<u>292</u>	<u>13,170</u>
Net change in cash and cash equivalents	254,787	(40,141)	693,189	37,290	(69,719)	875,406
Cash and cash equivalents:						
Beginning of year	<u>1,105,323</u>	<u>181,739</u>	<u>598,868</u>	<u>259,077</u>	<u>97,698</u>	<u>2,242,705</u>
End of year	<u>\$ 1,360,110</u>	<u>\$ 141,598</u>	<u>\$ 1,292,057</u>	<u>\$ 296,367</u>	<u>\$ 27,979</u>	<u>\$ 3,118,111</u>

Cash and cash equivalents are reported on the Statement of Net Position as follows:

Cash and cash equivalents	\$ 1,307,896	\$ 141,598	\$ 1,292,057	\$ 296,367	\$ 27,979	\$ 3,065,897
Restricted cash	52,214	-	-	-	-	52,214
	<u>\$ 1,360,110</u>	<u>\$ 141,598</u>	<u>\$ 1,292,057</u>	<u>\$ 296,367</u>	<u>\$ 27,979</u>	<u>\$ 3,118,111</u>

Continued on next page



**CITY OF WARRENTON**

Sewer Enterprise

Statement of Cash Flows, Continued

For the Year Ended June 30, 2017

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development Charges (051)	Total Sewer Enterprise
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 318,612	\$ -	\$ (4,077)	\$ 84,842	\$ -	\$ 399,377
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	617,100	-	-	51,379	-	668,479
Net increase (decrease) of expense under GASB 68	10,054	-	-	10,662	-	20,716
(Increase) decrease in assets:						
Receivables	(14,807)	-	-	(2,645)	-	(17,452)
Inventory, at cost	22,519	-	-	671	-	23,190
Prepaid items	2,366	-	-	(4)	-	2,362
Increase (decrease) in liabilities:						
Accounts payable and other	(47,716)	-	-	(12,161)	-	(59,877)
Compensated absences	(6,155)	-	-	1,099	-	(5,056)
	<u>\$ 901,973</u>	<u>\$ -</u>	<u>\$ (4,077)</u>	<u>\$ 133,843</u>	<u>\$ -</u>	<u>\$ 1,031,739</u>
Net cash provided by (used in) operating activities						

**Schedule of noncash transactions:**

Capital assets transferred between funds	<u>\$ 1,572,292</u>	<u>\$ -</u>	<u>\$(1,572,292)</u>	<u>\$ 79,323</u>	<u>\$ (79,323)</u>	<u>\$ -</u>
Debt principal payments transferred between funds	<u>\$ 79,579</u>	<u>\$ (79,579)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WARRENTON**  
Sanitation Enterprise  
Combining Statement of Net Position  
June 30, 2017

	<u>Operating (032)</u>	<u>Capital Reserve (034)</u>	<u>Total Sanitation Enterprise</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 293,936	\$ 302,740	\$ 596,676
Utility receivables	106,685	-	106,685
Inventory, at cost	35,110	-	35,110
Prepaid expenses	356	-	356
Total current assets	<u>436,087</u>	<u>302,740</u>	<u>738,827</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable assets	38,010	-	38,010
Depreciable assets, net	<u>463,426</u>	<u>-</u>	<u>463,426</u>
Total noncurrent assets	<u>501,436</u>	<u>-</u>	<u>501,436</u>
Total assets	<u>937,523</u>	<u>302,740</u>	<u>1,240,263</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>83,620</u>	<u>-</u>	<u>83,620</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other	65,006	1,010	66,016
Compensated absences	5,190	-	5,190
Landfill postclosure care - current	<u>11,650</u>	<u>-</u>	<u>11,650</u>
Total current liabilities	81,846	1,010	82,856
Noncurrent liabilities:			
Landfill postclosure care liability	243,379	-	243,379
Net pension liability	<u>154,970</u>	<u>-</u>	<u>154,970</u>
Total liabilities	<u>480,195</u>	<u>1,010</u>	<u>481,205</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>4,648</u>	<u>-</u>	<u>4,648</u>
<b>NET POSITION</b>			
Net investment in capital assets	501,436	-	501,436
Unrestricted	<u>34,864</u>	<u>301,730</u>	<u>336,594</u>
Total net position	<u>\$ 536,300</u>	<u>\$ 301,730</u>	<u>\$ 838,030</u>

**CITY OF WARRENTON**

Sanitation Enterprise

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2017

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
Operating revenues:			
Charges for services	\$ 1,082,047	\$ -	\$ 1,082,047
Other revenue	2,159	-	2,159
Total operating revenues	<u>1,084,206</u>	<u>-</u>	<u>1,084,206</u>
Operating Expenses:			
Payroll and payroll benefits	233,200	-	233,200
Contracted services	572,021	-	572,021
Utilities and telephone	5,709	-	5,709
Repairs and maintenance	35,586	-	35,586
Other operating expenses	77,513	-	77,513
Overhead cost allocation	39,975	-	39,975
Depreciation	99,261	-	99,261
Total operating expenses	<u>1,063,265</u>	<u>-</u>	<u>1,063,265</u>
Operating income (loss)	20,941	-	20,941
Nonoperating Revenues (Expenses):			
Investment earnings	3,930	-	3,930
Income (loss) before contributions	24,871	-	24,871
Capital transfers, net	17,435	(17,435)	-
Net transfers within Enterprise	<u>(75,000)</u>	<u>75,000</u>	<u>-</u>
Change in net position	(32,694)	57,565	24,871
Net Position:			
Beginning of year	568,994	244,165	813,159
End of year	<u>\$ 536,300</u>	<u>\$ 301,730</u>	<u>\$ 838,030</u>

**CITY OF WARRENTON**  
Sanitation Enterprise  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2017

	<u>Operating (032)</u>	<u>Capital Reserve (034)</u>	<u>Total Sanitation Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,085,040	\$ -	\$ 1,085,040
Payments to suppliers and contractors	(766,678)	-	(766,678)
Payments to employees	(200,340)	-	(200,340)
Payments for interfund services	<u>(74,488)</u>	<u>-</u>	<u>(74,488)</u>
Net cash provided by (used in) operating	<u>43,534</u>	<u>-</u>	<u>43,534</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers within enterprise, net	<u>(75,000)</u>	<u>75,000</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(75,000)</u>	<u>75,000</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	<u>-</u>	<u>(340,268)</u>	<u>(340,268)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>(340,268)</u>	<u>(340,268)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	<u>3,930</u>	<u>-</u>	<u>3,930</u>
Net change in cash and cash equivalents	(27,536)	(265,268)	(292,804)
Cash and cash equivalents:			
Beginning of year	321,472	568,008	889,480
End of year	<u>\$ 293,936</u>	<u>\$ 302,740</u>	<u>\$ 596,676</u>

Continued on next page

**CITY OF WARRENTON**

Sanitation Enterprise

Combining Statement of Cash Flows, Continued

For the Year Ended June 30, 2017

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 20,941	\$ -	\$ 20,941
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	99,261	-	99,261
Net increase (decrease) of expense under GASB 68	(3,156)	-	(3,156)
(Increase) decrease in assets:			
Receivables	834	-	834
Inventory, at cost	1,809	-	1,809
Prepaid items	(9)	-	(9)
Increase (decrease) in liabilities:			
Accounts payable and other	(46,778)	-	(46,778)
Compensated absences	1,503	-	1,503
Landfill postclosure care	<u>(30,871)</u>	<u>-</u>	<u>(30,871)</u>
 Net cash provided by (used in) operating activities	 <u>\$ 43,534</u>	 <u>\$ -</u>	 <u>\$ 43,534</u>
 <b>Schedule of noncash transactions:</b>			
Capital assets transferred between funds	<u>\$ 17,435</u>	<u>\$ (17,435)</u>	<u>\$ -</u>

**CITY OF WARRENTON**

Nonmajor Enterprise Funds

Combining Statement of Net Position

June 30, 2017

	<u>Warrenton Marina (010)</u>	<u>Warrenton Marina Capital Reserve (012)</u>	<u>Hammond Marina (011)</u>	<u>Hammond Marina Capital Reserve (013)</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 172,909	\$ 175,000	\$ 137,789	\$ 484,407	\$ 970,105
Accounts receivable	47,925	-	3,275	-	51,200
Intergovernmental receivables	-	-	-	35,741	35,741
Grants receivable	-	-	6,416	-	6,416
Other receivables	581	-	-	-	581
Total current assets	<u>221,415</u>	<u>175,000</u>	<u>147,480</u>	<u>520,148</u>	<u>1,064,043</u>
Noncurrent assets:					
Capital assets:					
Nondepreciable assets	36,953	-	186,580	-	223,533
Depreciable assets, net	<u>359,064</u>	<u>-</u>	<u>639,403</u>	<u>-</u>	<u>998,467</u>
Total noncurrent assets	<u>396,017</u>	<u>-</u>	<u>825,983</u>	<u>-</u>	<u>1,222,000</u>
Total assets	<u>617,432</u>	<u>175,000</u>	<u>973,463</u>	<u>520,148</u>	<u>2,286,043</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pensions	<u>134,225</u>	<u>-</u>	<u>83,079</u>	<u>-</u>	<u>217,304</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and other	22,051	-	7,762	622	30,435
Compensated absences	10,766	-	6,574	-	17,340
Unearned revenue	<u>13,320</u>	<u>-</u>	<u>112</u>	<u>-</u>	<u>13,432</u>
Total current liabilities	46,137	-	14,448	622	61,207
Noncurrent liabilities:					
Net pension liability	<u>248,754</u>	<u>-</u>	<u>153,967</u>	<u>-</u>	<u>402,721</u>
Total liabilities	<u>294,891</u>	<u>-</u>	<u>168,415</u>	<u>622</u>	<u>463,928</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to pensions	<u>7,461</u>	<u>-</u>	<u>4,618</u>	<u>-</u>	<u>12,079</u>
<b>NET POSITION</b>					
Net investment in capital assets	396,017	-	825,983	-	1,222,000
Unrestricted	<u>53,288</u>	<u>175,000</u>	<u>57,526</u>	<u>519,526</u>	<u>805,340</u>
Total net position	<u>\$ 449,305</u>	<u>\$ 175,000</u>	<u>\$ 883,509</u>	<u>\$ 519,526</u>	<u>\$ 2,027,340</u>

**CITY OF WARRENTON**

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2017

	<u>Warrenton Marina (010)</u>	<u>Warrenton Marina Capital Reserve (012)</u>	<u>Hammond Marina (011)</u>	<u>Hammond Marina Capital Reserve (013)</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:					
Charges for services	\$ 489,883	\$ -	\$ 263,620	\$ -	\$ 753,503
Lease receipts	28,690	-	13,141	-	41,831
Other revenue	<u>10,581</u>	<u>-</u>	<u>3,526</u>	<u>-</u>	<u>14,107</u>
Total operating revenues	<u>529,154</u>	<u>-</u>	<u>280,287</u>	<u>-</u>	<u>809,441</u>
Operating Expenses:					
Payroll and payroll benefits	316,400	-	194,379	-	510,779
Contracted services	7,143	-	12,159	-	19,302
Utilities and telephone	85,602	-	48,950	-	134,552
Repairs and maintenance	68,280	-	44,071	-	112,351
Other operating expenses	27,191	-	21,824	-	49,015
Overhead cost allocation	33,555	-	20,500	-	54,055
Depreciation	<u>51,104</u>	<u>-</u>	<u>58,339</u>	<u>-</u>	<u>109,443</u>
Total operating expenses	<u>589,275</u>	<u>-</u>	<u>400,222</u>	<u>-</u>	<u>989,497</u>
Operating income (loss)	<u>(60,121)</u>	<u>-</u>	<u>(119,935)</u>	<u>-</u>	<u>(180,056)</u>
Nonoperating Revenues (Expenses):					
Investment earnings	5,740	-	4,057	-	9,797
Taxes	-	-	-	140,606	140,606
Intergovernmental	<u>3,175</u>	<u>-</u>	<u>8,016</u>	<u>-</u>	<u>11,191</u>
Total nonoperating revenues (expenses)	<u>8,915</u>	<u>-</u>	<u>12,073</u>	<u>140,606</u>	<u>161,594</u>
Income (loss) before contributions	(51,206)	-	(107,862)	140,606	(18,462)
Capital transfers, net	-	-	70,581	(70,581)	-
Net transfers within Enterprise	<u>(30,523)</u>	<u>30,523</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(81,729)	30,523	(37,281)	70,025	(18,462)
Net Position:					
Beginning of year	531,034	144,477	920,790	449,501	2,045,802
End of year	<u>\$ 449,305</u>	<u>\$ 175,000</u>	<u>\$ 883,509</u>	<u>\$ 519,526</u>	<u>\$ 2,027,340</u>

**CITY OF WARRENTON**  
Nonmajor Enterprise Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2017

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 510,577	\$ -	\$ 278,778	\$ -	\$ 789,355
Payments to suppliers and contractors	(175,463)	-	(129,401)	-	(304,864)
Payments to employees	(255,171)	-	(154,945)	-	(410,116)
Payments for interfund services	<u>(62,525)</u>	<u>-</u>	<u>(38,199)</u>	<u>-</u>	<u>(100,724)</u>
Net cash provided by (used in) operating	<u>17,418</u>	<u>-</u>	<u>(43,767)</u>	<u>-</u>	<u>(26,349)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental operating grants received	3,175	-	1,600	-	4,775
Taxes collected	-	-	-	144,870	144,870
Transfers within enterprise, net	<u>(30,523)</u>	<u>30,523</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(27,348)</u>	<u>30,523</u>	<u>1,600</u>	<u>144,870</u>	<u>149,645</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	<u>-</u>	<u>-</u>	<u>1</u>	<u>(69,959)</u>	<u>(69,958)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>1</u>	<u>(69,959)</u>	<u>(69,958)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends received	<u>5,740</u>	<u>-</u>	<u>4,057</u>	<u>-</u>	<u>9,797</u>
Net change in cash and cash equivalents	(4,190)	30,523	(38,109)	74,911	63,135
Cash and cash equivalents:					
Beginning of year	<u>177,099</u>	<u>144,477</u>	<u>175,898</u>	<u>409,496</u>	<u>906,970</u>
End of year	<u>\$ 172,909</u>	<u>\$ 175,000</u>	<u>\$ 137,789</u>	<u>\$ 484,407</u>	<u>\$ 970,105</u>

Continued on next page



**CITY OF WARRENTON**

Nonmajor Enterprise Funds

Combining Statement of Cash Flows, Continued

For the Year Ended June 30, 2017

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (60,121)	\$ -	\$ (119,935)	\$ -	\$ (180,056)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	51,104	-	58,339	-	109,443
Net increase (decrease) of expense under GASB 68	38,145	-	25,082	-	63,227
(Increase) decrease in assets:					
Receivables	(18,096)	-	121	-	(17,975)
Increase (decrease) in liabilities:					
Accounts payable and other	12,753	-	(2,397)	-	10,356
Compensated absences	(5,886)	-	(3,347)	-	(9,233)
Unearned revenue	(481)	-	(1,630)	-	(2,111)
	<u>17,418</u>	<u>-</u>	<u>(43,767)</u>	<u>-</u>	<u>(26,349)</u>
Net cash provided by (used in) operating activities	\$ <u>17,418</u>	\$ <u>-</u>	\$ <u>(43,767)</u>	\$ <u>-</u>	\$ <u>(26,349)</u>
<b>Schedule of noncash transactions:</b>					
Capital assets transferred between funds	\$ <u>-</u>	\$ <u>-</u>	\$ <u>70,581</u>	\$ <u>(70,581)</u>	\$ <u>-</u>

**CITY OF WARRENTON**

Water Operating Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 910,000	\$ 910,000	\$ 1,140,492	\$ 230,492
Intergovernmental	-	20,000	20,000	-
Charges for services	2,601,400	2,601,400	2,776,781	175,381
Investment earnings	4,000	4,000	12,857	8,857
Other revenue	1,000	1,000	4,339	3,339
Loan proceeds	<u>1,630,000</u>	<u>2,730,000</u>	<u>669,931</u>	<u>(2,060,069)</u>
<b>Total resources</b>	<b><u>\$ 5,146,400</u></b>	<b><u>\$ 6,266,400</u></b>	<b><u>\$ 4,624,400</u></b>	<b><u>\$ (1,642,000)</u></b>
<b>Requirements:</b>				
<b>Water Department:</b>				
Personal services	\$ 918,230	\$ 918,230	\$ 819,986	\$ 98,244
Materials and services	<u>1,095,533</u>	<u>2,215,533</u>	<u>845,431</u>	<u>1,370,102</u>
<b>Total department expenditures</b>	<b>2,013,763</b>	<b>3,133,763</b>	<b>1,665,417</b>	<b>1,468,346</b>
Debt service	637,125	637,125	637,124	1
Contingency	384,379	384,379	-	384,379
Transfers out	<u>2,110,547</u>	<u>2,110,547</u>	<u>480,547</u>	<u>1,630,000</u>
<b>Total expenditures</b>	<b>5,145,814</b>	<b>6,265,814</b>	<b>2,783,088</b>	<b>3,482,726</b>
Ending fund balance	<u>586</u>	<u>586</u>	<u>1,841,312</u>	<u>(1,840,726)</u>
<b>Total requirements</b>	<b><u>\$ 5,146,400</u></b>	<b><u>\$ 6,266,400</u></b>	<b><u>\$ 4,624,400</u></b>	<b><u>\$ 1,642,000</u></b>
<b>Reconciliation to GAAP Basis:</b>				
Ending fund balance - budget basis			\$ 1,841,312	
Capital assets - net			15,870,760	
Deferred outflows of resources Related to pensions			429,467	
Accrued interest payable			(107,693)	
Compensated absences			(46,794)	
Net pension liability			(795,912)	
Loans payable			(6,436,785)	
Deferred inflow of resources Related to pensions			<u>(23,872)</u>	
<b>Ending net position - GAAP basis</b>			<b><u>\$ 10,730,483</u></b>	

**CITY OF WARRENTON**

Water System Development

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 73,700	\$ 73,700	\$ 104,480	\$ 30,780
Investment earnings	150	150	498	348
System development charges	<u>54,000</u>	<u>54,000</u>	<u>80,883</u>	<u>26,883</u>
Total resources	<u>\$ 127,850</u>	<u>\$ 127,850</u>	<u>\$ 185,861</u>	<u>\$ 58,011</u>
Requirements:				
Water Department:				
Capital outlay	\$ 54,850	\$ 54,850	\$ -	\$ 54,850
Debt service	<u>73,000</u>	<u>73,000</u>	<u>73,000</u>	<u>-</u>
Total expenditures	127,850	127,850	73,000	54,850
Ending fund balance	<u>-</u>	<u>-</u>	<u>112,861</u>	<u>(112,861)</u>
Total requirements	<u>\$ 127,850</u>	<u>\$ 127,850</u>	<u>\$ 185,861</u>	<u>\$ (58,011)</u>

**CITY OF WARRENTON**

Water Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,296,240	\$ 1,296,240	\$ 1,311,219	\$ 14,979
Transfers in	<u>2,110,547</u>	<u>2,110,547</u>	<u>480,547</u>	<u>(1,630,000)</u>
Total resources	<u>\$ 3,406,787</u>	<u>\$ 3,406,787</u>	<u>\$ 1,791,766</u>	<u>\$ (1,615,021)</u>
Requirements:				
Water Department:				
Capital outlay	\$ 1,827,930	\$ 1,827,930	\$ 142,823	\$ 1,685,107
Ending fund balance	<u>1,578,857</u>	<u>1,578,857</u>	<u>1,648,943</u>	<u>(70,086)</u>
Total requirements	<u>\$ 3,406,787</u>	<u>\$ 3,406,787</u>	<u>\$ 1,791,766</u>	<u>\$ 1,615,021</u>

**CITY OF WARRENTON**

Sewer Operating Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 1,300,000	\$ 1,300,000	\$ 1,369,458	\$ 69,458
Intergovernmental	-	66,580	36,306	(30,274)
Charges for services	2,302,895	2,302,895	2,450,537	147,642
Investment earnings	3,500	3,500	10,159	6,659
Other revenue	-	-	3,292	3,292
Loan proceeds	<u>1,920,304</u>	<u>1,955,304</u>	<u>1,399,226</u>	<u>(556,078)</u>
<b>Total resources</b>	<b><u>\$ 5,526,699</u></b>	<b><u>\$ 5,628,279</u></b>	<b><u>\$ 5,268,978</u></b>	<b><u>\$ (359,301)</u></b>
<b>Requirements:</b>				
<b>Sewer Department:</b>				
Personal services	\$ 801,632	\$ 801,632	\$ 718,921	\$ 82,711
Materials and services	<u>896,905</u>	<u>998,485</u>	<u>795,296</u>	<u>203,189</u>
<b>Total department expenditures</b>	1,698,537	1,800,117	1,514,217	285,900
Debt service	61,868	61,868	61,868	-
Contingency	434,419	434,419	-	434,419
Transfers out	<u>2,549,225</u>	<u>2,549,225</u>	<u>2,028,147</u>	<u>521,078</u>
<b>Total expenditures</b>	4,744,049	4,845,629	3,604,232	1,241,397
Ending fund balance	<u>782,650</u>	<u>782,650</u>	<u>1,664,746</u>	<u>(882,096)</u>
<b>Total requirements</b>	<b><u>\$ 5,526,699</u></b>	<b><u>\$ 5,628,279</u></b>	<b><u>\$ 5,268,978</u></b>	<b><u>\$ 359,301</u></b>
<b>Reconciliation to GAAP Basis:</b>				
Ending fund balance - budget basis			\$ 1,664,746	
Capital assets - net			10,994,835	
Deferred outflows of resources Related to pensions			328,257	
Accrued interest payable			(14,458)	
Compensated absences			(30,785)	
Net pension liability			(608,343)	
Loans payable			(2,240,385)	
Deferred inflow of resources Related to pensions			<u>(18,246)</u>	
<b>Ending net position - GAAP basis</b>			<b><u>\$ 10,075,621</u></b>	

**CITY OF WARRENTON**

Sewer System Development Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 167,400	\$ 167,400	\$ 181,739	\$ 14,339
Investment earnings	400	400	1,185	785
System development charges	<u>54,000</u>	<u>54,000</u>	<u>69,311</u>	<u>15,311</u>
Total resources	<u>\$ 221,800</u>	<u>\$ 221,800</u>	<u>\$ 252,235</u>	<u>\$ 30,435</u>
Requirements:				
Sewer Department:				
Capital outlay	\$ 111,163	\$ 111,163	\$ -	\$ 111,163
Debt service	<u>110,637</u>	<u>110,637</u>	<u>110,637</u>	<u>-</u>
Total expenditures	221,800	221,800	110,637	111,163
Ending fund balance	<u>-</u>	<u>-</u>	<u>141,598</u>	<u>(141,598)</u>
Total requirements	<u>\$ 221,800</u>	<u>\$ 221,800</u>	<u>\$ 252,235</u>	<u>\$ (30,435)</u>

**CITY OF WARRENTON**

Sewer Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 540,000	\$ 540,000	\$ 590,218	\$ 50,218
Transfers in	<u>2,549,225</u>	<u>2,549,225</u>	<u>2,028,147</u>	<u>(521,078)</u>
Total resources	<u>\$ 3,089,225</u>	<u>\$ 3,089,225</u>	<u>\$ 2,618,365</u>	<u>\$ (470,860)</u>
Requirements:				
Sewer Department:				
Capital outlay	\$ 2,505,894	\$ 2,505,894	\$ 1,576,369	\$ 929,525
Ending fund balance	<u>583,331</u>	<u>583,331</u>	<u>1,041,996</u>	<u>(458,665)</u>
Total requirements	<u>\$ 3,089,225</u>	<u>\$ 3,089,225</u>	<u>\$ 2,618,365</u>	<u>\$ 470,860</u>

**CITY OF WARRENTON**

Storm Sewer Operating Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 210,000	\$ 210,000	\$ 284,330	\$ 74,330
Charges for services	377,360	377,360	395,837	18,477
Investment earnings	600	600	1,534	934
Other revenue	<u>-</u>	<u>-</u>	<u>614</u>	<u>614</u>
Total resources	<u>\$ 587,960</u>	<u>\$ 587,960</u>	<u>\$ 682,315</u>	<u>\$ 94,355</u>
Requirements:				
Storm Sewer Department:				
Personal services	\$ 121,691	\$ 121,691	\$ 101,168	\$ 20,523
Materials and services	172,210	172,210	139,915	32,295
Capital outlay	<u>238,148</u>	<u>238,148</u>	<u>110,473</u>	<u>127,675</u>
Total department expenditures	532,049	532,049	351,556	180,493
Contingency	<u>55,911</u>	<u>55,911</u>	<u>-</u>	<u>55,911</u>
Total expenditures	587,960	587,960	351,556	236,404
Ending fund balance	<u>-</u>	<u>-</u>	<u>330,759</u>	<u>(330,759)</u>
Total requirements	<u>\$ 587,960</u>	<u>\$ 587,960</u>	<u>\$ 682,315</u>	<u>\$ (94,355)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 330,759	
Capital assets - net			713,367	
Deferred outflows of resources Related to pensions			34,098	
Compensated absences			(4,268)	
Net pension liability			(63,191)	
Deferred inflow of resources Related to pensions			<u>(1,895)</u>	
Ending net position - GAAP basis			<u>\$ 1,008,870</u>	



**CITY OF WARRENTON**

Storm System Development Charges Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 94,110	\$ 94,110	\$ 97,698	\$ 3,588
Investment earnings	100	100	292	192
System development charges	<u>12,351</u>	<u>12,351</u>	<u>9,312</u>	<u>(3,039)</u>
Total resources	<u><u>\$ 106,561</u></u>	<u><u>\$ 106,561</u></u>	<u><u>\$ 107,302</u></u>	<u><u>\$ 741</u></u>
Requirements:				
Storm Sewer Department:				
Capital outlay	\$ 106,561	\$ 106,561	\$ 79,323	\$ 27,238
Ending fund balance	<u>-</u>	<u>-</u>	<u>27,979</u>	<u>(27,979)</u>
Total requirements	<u><u>\$ 106,561</u></u>	<u><u>\$ 106,561</u></u>	<u><u>\$ 107,302</u></u>	<u><u>\$ (741)</u></u>

**CITY OF WARRENTON**

Sanitation Operating Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 375,000	\$ 375,000	\$ 354,473	\$ (20,527)
Charges for services	1,014,132	1,014,132	1,082,047	67,915
Investment earnings	2,000	2,000	3,930	1,930
Other revenue	<u>-</u>	<u>-</u>	<u>2,159</u>	<u>2,159</u>
<b>Total resources</b>	<b><u>\$ 1,391,132</u></b>	<b><u>\$ 1,391,132</u></b>	<b><u>\$ 1,442,609</u></b>	<b><u>\$ 51,477</u></b>
<b>Requirements:</b>				
Sanitation Department:				
Personal services	\$ 289,919	\$ 289,919	\$ 234,853	\$ 55,066
Materials and services	<u>805,452</u>	<u>805,452</u>	<u>761,675</u>	<u>43,777</u>
Total department expenditures	1,095,371	1,095,371	996,528	98,843
Contingency	219,074	219,074	-	219,074
Transfers out	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total expenditures	1,389,445	1,389,445	1,071,528	317,917
Ending fund balance	<u>1,687</u>	<u>1,687</u>	<u>371,081</u>	<u>(369,394)</u>
<b>Total requirements</b>	<b><u>\$ 1,391,132</u></b>	<b><u>\$ 1,391,132</u></b>	<b><u>\$ 1,442,609</u></b>	<b><u>\$ (51,477)</u></b>
<b>Reconciliation to GAAP Basis:</b>				
Ending fund balance - budget basis			\$ 371,081	
Capital assets - net			501,436	
Deferred outflows of resources Related to pensions			83,620	
Compensated absences			(5,190)	
Net pension liability			(154,970)	
Landfill postclosure care			(255,029)	
Deferred inflow of resources Related to pensions			<u>(4,648)</u>	
Ending net position - GAAP basis			<b><u>\$ 536,300</u></b>	

**CITY OF WARRENTON**

Sanitation Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 234,000	\$ 234,000	\$ 244,165	\$ 10,165
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total resources	<u>\$ 309,000</u>	<u>\$ 309,000</u>	<u>\$ 319,165</u>	<u>\$ 10,165</u>
Requirements:				
Sanitation Department:				
Capital outlay	\$ 80,800	\$ 80,800	\$ 17,435	\$ 63,365
Ending fund balance	<u>228,200</u>	<u>228,200</u>	<u>301,730</u>	<u>(73,530)</u>
Total requirements	<u>\$ 309,000</u>	<u>\$ 309,000</u>	<u>\$ 319,165</u>	<u>\$ (10,165)</u>

**CITY OF WARRENTON**

Warrenton Marina Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 170,000	\$ 170,000	\$ 195,027	\$ 25,027
Intergovernmental	3,175	3,175	3,175	-
Charges for services	454,326	454,326	481,684	27,358
Lease receipts	27,000	27,000	28,690	1,690
Investment earnings	4,500	4,500	5,740	1,240
Other revenue	-	-	10,581	10,581
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total resources	<u>\$ 659,001</u>	<u>\$ 659,001</u>	<u>\$ 724,897</u>	<u>\$ 65,896</u>
 <b>Requirements:</b>				
Marinas:				
Personal services	\$ 344,828	\$ 344,828	\$ 284,141	\$ 60,687
Materials and services	<u>239,490</u>	<u>239,490</u>	<u>221,772</u>	<u>17,718</u>
Total department expenditures	584,318	584,318	505,913	78,405
Contingency	44,160	44,160	-	44,160
Transfers out	<u>30,523</u>	<u>30,523</u>	<u>30,523</u>	<u>-</u>
Total expenditures	659,001	659,001	536,436	122,565
Ending fund balance	<u>-</u>	<u>-</u>	<u>188,461</u>	<u>(188,461)</u>
Total requirements	<u>\$ 659,001</u>	<u>\$ 659,001</u>	<u>\$ 724,897</u>	<u>\$ (65,896)</u>
 <b>Reconciliation to GAAP Basis:</b>				
Ending fund balance - budget basis			\$ 188,461	
Allowance for doubtful accounts			(2,417)	
Capital assets - net			396,017	
Deferred outflows of resources Related to pensions			134,225	
Compensated absences			(10,766)	
Net pension liability			(248,754)	
Deferred inflow of resources Related to pensions			<u>(7,461)</u>	
Ending net position - GAAP basis			<u>\$ 449,305</u>	

**CITY OF WARRENTON**

Warrenton Marina Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 89,477	\$ 89,477	\$ 144,477	\$ 55,000
Transfers in	<u>30,523</u>	<u>30,523</u>	<u>30,523</u>	<u>-</u>
Total resources	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 175,000</u>	<u>\$ 55,000</u>
Requirements:				
Marinas:				
Capital outlay	\$ 90,000	\$ 90,000	\$ -	\$ 90,000
Ending fund balance	<u>30,000</u>	<u>30,000</u>	<u>175,000</u>	<u>(145,000)</u>
Total requirements	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 175,000</u>	<u>\$ (55,000)</u>

**CITY OF WARRENTON**

Hammond Marina Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 170,000	\$ 170,000	\$ 168,011	\$ (1,989)
Intergovernmental	1,600	1,600	8,016	6,416
Charges for services	255,000	255,000	263,428	8,428
Lease receipts	12,901	12,901	13,141	240
Investment earnings	2,200	2,200	4,057	1,857
Other revenue	<u>-</u>	<u>-</u>	<u>3,526</u>	<u>3,526</u>
Total resources	<u>\$ 441,701</u>	<u>\$ 441,701</u>	<u>\$ 460,179</u>	<u>\$ 18,478</u>

Resources:				
Marinas:				
Personal services	\$ 214,811	\$ 214,811	\$ 172,644	\$ 42,167
Materials and services	<u>174,959</u>	<u>174,959</u>	<u>147,503</u>	<u>27,456</u>
Total department expenditures	389,770	389,770	320,147	69,623
Contingency	<u>51,931</u>	<u>51,931</u>	<u>-</u>	<u>51,931</u>
Total expenditures	441,701	441,701	320,147	121,554
Ending fund balance	<u>-</u>	<u>-</u>	<u>140,032</u>	<u>(140,032)</u>
Total requirements	<u>\$ 441,701</u>	<u>\$ 441,701</u>	<u>\$ 460,179</u>	<u>\$ (18,478)</u>

Reconciliation to GAAP Basis:	
Ending fund balance - budget basis	\$ 140,032
Allowance for doubtful accounts	(426)
Capital assets - net	825,983
Deferred outflows of resources Related to pensions	83,079
Compensated absences	(6,574)
Net pension liability	(153,967)
Deferred inflow of resources Related to pensions	<u>(4,618)</u>
Ending net position - GAAP basis	<u>\$ 883,509</u>

**CITY OF WARRENTON**

Hammond Marina Capital Reserve Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 385,000	\$ 385,000	\$ 449,501	\$ 64,501
Taxes	<u>133,000</u>	<u>133,000</u>	<u>140,606</u>	<u>7,606</u>
Total resources	<u>\$ 518,000</u>	<u>\$ 518,000</u>	<u>\$ 590,107</u>	<u>\$ 72,107</u>
Requirements:				
Marinas:				
Capital outlay	\$ 518,000	\$ 518,000	\$ 70,581	\$ 447,419
Ending fund balance	<u>-</u>	<u>-</u>	<u>519,526</u>	<u>(519,526)</u>
Total requirements	<u>\$ 518,000</u>	<u>\$ 518,000</u>	<u>\$ 590,107</u>	<u>\$ (72,107)</u>

## **INTERNAL SERVICE FUND**

*Internal Service Funds* are used to report activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or other governments, on a cost reimbursement basis. Funds included in this category are:

***Engineer Internal Service Fund*** - The City began using an in-house engineer in 2016. The costs associated with the engineer are accumulated in this fund and reimbursed by the appropriate departments and projects.



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**CITY OF WARRENTON**

**CITY OF WARRENTON**

Engineer Internal Service Fund

Schedule of Resources and Requirements  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,400	\$ 1,400	\$ 6,553	\$ 5,153
Charges for services	149,555	149,555	124,032	(25,523)
Investment earnings	10	10	2	(8)
Other revenue	<u>-</u>	<u>-</u>	<u>244</u>	<u>244</u>
Total resources	<u>\$ 150,965</u>	<u>\$ 150,965</u>	<u>\$ 130,831</u>	<u>\$ (20,134)</u>
Requirements:				
Engineering Department:				
Personal services	\$ 121,465	\$ 121,465	\$ 119,230	\$ 2,235
Materials and services	<u>29,500</u>	<u>29,500</u>	<u>1,487</u>	<u>28,013</u>
Total department expenditures	150,965	150,965	120,717	30,248
Ending fund balance	<u>-</u>	<u>-</u>	<u>10,114</u>	<u>(10,114)</u>
Total requirements	<u>\$ 150,965</u>	<u>\$ 150,965</u>	<u>\$ 130,831</u>	<u>\$ 20,134</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 10,114	
Compensated absences			<u>(6,722)</u>	
Ending net position - GAAP basis			<u>\$ 3,392</u>	

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**CITY OF WARRENTON**

COMPLIANCE SECTION

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**



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## COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR REQUIRED BY STATE STATUE

Honorable Mayor and City Commission  
City of Warrenton, Oregon

We have audited the basic financial statements of the City of Warrenton, Oregon ("City") as of and for the year ended June 30, 2017, and have issued our report thereon dated December 20, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### **Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on 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:

- Deposits 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.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- 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 Warrenton, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

### **OAR 162-10-0230 Internal Control**

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

*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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the City Commission and the Secretary of State Division of Audits of the State of Oregon. However, this report is a matter of public record and is not intended to be and should not be used by anyone other than these parties.

Isler CPA

By:

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive style with a prominent initial "P".

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 20, 2017

7-A

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**CITY OF WARRENTON**

## AGENDA MEMORANDUM

**TO:** The Warrenton City Commission  
**FROM:** Skip Urling, Community Development Director  
**DATE:** For the Agenda of January 23, 2018  
**SUBJ:** Second Reading of Ordinance No. 1216

A handwritten signature in blue ink, appearing to be 'S. Urling', is written over the 'FROM' and 'DATE' lines of the memorandum.

Ordinance No. 1216 amends the development code standards for local road pavement widths and the development of parks in new subdivisions. The City Commission conducted the first reading by title only at its January 9<sup>th</sup> meeting. Staff recommends the Commission conduct the second reading and adopt the ordinance.

### RECOMMENDATION/SUGGESTED MOTION

#### **First Motion:**

I move to conduct the second reading by title only of Ordinance No. 1216.

*"An Ordinance Amending Warrenton Municipal Code 16.136.020 Transportation Standards Regarding the Pavement Width Standard for a Local Road and 16.216.020 General Requirements [for Land Divisions] Regarding the Standards for Residential Neighborhood Parks."*

#### **Second Motion.**

I move to adopt Ordinance No. 1216.



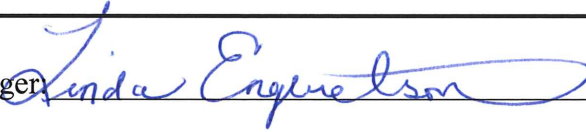
**ALTERNATIVE**

None recommended

**FISCAL IMPACT**

None

Approved by City Manager

A handwritten signature in blue ink, reading "Linda Engquistson", written over a horizontal line.

All supporting documentation, i.e., maps, exhibits, etc., must be attached to this memorandum.

Ordinance No. 1216

Introduced by All Commissioners.

**An Ordinance Amending Warrenton Municipal Code 16.136.020 Transportation Standards Regarding the Pavement Width Standard for a Local Road and 16.216.020 General Requirements [for Land Divisions] Regarding the Standards for Residential Neighborhood Parks.**

**The City Warrenton ordains as follows:**

**Section 1.** Warrenton Municipal Code 16.136.020 Transportation Standards is hereby amended as follows:

A. Development Standards. No development shall occur unless the lot or parcel abuts a public or private street, other than an alley, for at least 25 feet and is in conformance with the provisions of Chapter 16.120, Access and Circulation, and the following standards are met:

1. Streets within or adjacent to a development shall be improved in accordance with the Comprehensive Plan, Transportation System Plan, and the provisions of this chapter;

2. Development of new streets (public or private), and additional street width or improvements planned as a portion of an existing street, shall be improved in accordance with this section, and public streets shall be dedicated to the applicable City, county or state jurisdiction;

3. New streets and drives connected to a City collector or arterial street shall be paved; and

4. The City may accept a future improvement guarantee [e.g., owner agrees not to remonstrate (object) against the formation of a local improvement district in the future] in lieu of street improvements if one or more of the following conditions exist:

a. A partial improvement may create a potential safety hazard to motorists or pedestrians;

b. Due to the developed condition of adjacent properties it is unlikely that street improvements would be extended in the foreseeable future and the improvement associated with the project under review does not, by itself, provide increased street safety or capacity, or improved pedestrian circulation;

c. The improvement would be in conflict with an adopted capital improvement plan; or

d. The improvement is associated with an approved land partition on property zoned residential and the proposed land partition does not create any new streets.

B. Variances. Variances to the transportation design standards in this section may be granted by means of a Class 2 variance, as governed by Chapter 16.272, Variances. A variance may be granted under this provision only if a required improvement is not feasible due to topographic constraints or constraints posed by sensitive lands (see Chapter 16.156).

C. Creation of Rights-of-Way for Streets and Related Purposes. Streets shall be created through the approval and recording of a final subdivision or partition plat; except the City may approve the creation of a street by acceptance of a deed, provided that the street is deemed essential by the City Commission for the purpose of implementing the Transportation System Plan, and the deeded right-of-way conforms to the standards of this Code. All deeds of dedication shall be in a form prescribed by the City Attorney and shall name “the public,” as grantee.

D. Creation of Access Easements. The City may approve an access easement established by deed when the easement is necessary to provide for access and circulation in conformance with Chapter 16.120, Access and Circulation. Access easements shall be created and maintained in accordance with the Uniform Fire Code, as amended.

E. Street Location, Width and Grade. Except as noted below, the location, width and grade of all streets shall conform to the Transportation System Plan and Comprehensive Plan, as applicable; and an approved street plan or subdivision plat. Street location, width and grade shall be determined in relation to existing and planned streets, topographic conditions, public convenience and safety, and in appropriate relation to the proposed use of the land to be served by such streets:

1. Street grades shall be approved by the City-appointed engineer in accordance with the design standards in subsection N of this section; and
2. Where the location of a street is not shown in an existing street plan (see subsection H of this section), the location of streets in a development shall either:
  - a. Provide for the continuation and connection of existing streets in the surrounding areas, conforming to the street standards of this chapter, or
  - b. Conform to a street plan adopted by the City, if it is impractical to connect with existing street patterns because of particular topographical or other existing conditions of the land. Such a plan shall be based on the type of land use to be served, the volume of traffic, the capacity of adjoining streets and the need for public convenience and safety.

F. Minimum Rights-of-Way and Street Sections. Street rights-of-way and improvements shall conform to the design standards in Table 16.136.010. A variance shall be required in accordance with Chapter 16.272 of this Code to vary the standards in Table 16.136.010. Where a range of width is indicated, the width shall be determined by the decision-making authority based upon the following factors:

1. Street classification in the Transportation System Plan or Comprehensive Plan;
2. Anticipated traffic generation;
3. On-street parking needs;
4. Sidewalk and bikeway requirements based on anticipated level of use;
5. Requirements for placement of utilities;
6. Street lighting;
7. Street tree location, as provided for in Chapter 16.124;

8. Protection of significant vegetation and wetland and riparian areas, as provided for in Chapters 16.124 and 16.156;
9. Safety and comfort for motorists, bicyclists, and pedestrians;
10. Street furnishings (e.g., benches, lighting, bus shelters, etc.), when provided;
11. Access needs for emergency vehicles; and
12. Transition between different street widths (i.e., existing streets and new streets), as applicable.

**Table 16.136.010**  
**City of Warrenton Street Design Standards**

Type of Street	Average Daily Trips (ADT)	Right-of-Way Width	Curb-to-Curb Pavement Width	Motor Vehicle Travel Lanes <sup>4</sup>	Median/Flank Lane <sup>5</sup>	Bike Lanes or On-Street Parking (both sides)	Curb	Planting Strip <sup>5</sup>	Sidewalks
<b>Arterial Roads</b>									
4-Lane Arterial	Varies	80 - 102 ft.	64 - 78 ft.	12 ft. <sup>4</sup>	14 ft.	8 ft.	Yes	6 ft.	6 ft.
2-Lane Arterial	Varies	80 ft.	40 - 54 ft.	12 ft. <sup>4</sup>	14 ft.	8 ft.	Yes	6 ft.	6 ft.
<b>Collector Roads</b>									
Collector Road	Varies	60 - 64 ft.	36 - 40 ft.	12 ft. <sup>4</sup>	None	6-8 ft.	Yes	6 ft.	6 ft.
<b>Local Roads</b>									
Local Road	Varies	50 - 60 ft.	<del>28</del> - 36 ft.	10-12 ft.	None	8 ft. parking (on one or both sides <sup>1</sup> )	Yes (on one or both sides)	5 ft.	5 ft. <sup>3</sup>
Alternative Local Road <sup>2</sup>	< 250	50 ft.	20 - 28 ft. (no curbs required)	10 ft.	None	None <sup>1</sup>	None	5 ft.	None

<b>Alleys</b>	N/A	12 - 24 ft.	12 - 24 ft.	N/A	N/A	None	None	None	None
<b>Multi-Use Paths</b>	N/A	8 - 16 ft.	8 - 16 ft.	N/A	N/A	None	None	None	None

<sup>1</sup> Bike lanes are generally not needed on low volume (less than 3,000 ADT) and/or low travel speed (less than 35 mph) roads.

<sup>2</sup> The alternative local road standard may be used when approved by the City of Warrenton. The standard is intended to apply under the following circumstances:

The local road will serve 18 or fewer dwelling units upon buildout of adjacent property.

The ADT volume of the road is less than 250 vehicles per day.

Significant topographical or environmental constraints are present.

Use of the alternative local road standard will not create gaps in connectivity or roadway standards with adjacent roadway sections (i.e. side-walk, parking, travel lane widths).

The City-appointed engineer and Emergency Service Providers have reviewed and accepted usage of the alternative local roadway standard.

<sup>3</sup> Sidewalks are required on all local roads in high-density residential and commercial zones unless exempted by the City-appointed engineer or Planning Commission.

<sup>4</sup> Where parking is constructed next to a travel lane, the travel lane shall be increased to a width of 14 feet to function as a shared roadway and accommodate bicycles.

<sup>5</sup> Footnote indicates that these features are optional. Flex lanes would provide for traffic flow in one direction or another depending upon the specific traffic patterns and demands for an area. Flex lanes could be used for transit routes or emergencies, and would provide extra right-of-way width for future rail or transit. Appropriate safety measures would need to be installed in conjunction with flex lanes.

REFER TO FIGURES 5-3, 5-4, and 5-5 OF THE TSP FOR CROSS SECTION VIEWS OF LOCAL, COLLECTOR, AND ARTERIAL ROADS.

G. Traffic Signals. Traffic signals shall be required with development when traffic signal warrants are met, in conformance with the Highway Capacity Manual, and Manual of Uniform Traffic Control Devices. The location of traffic signals shall be noted on approved street plans. Where a proposed street intersection will result in an immediate need for a traffic signal, a signal meeting approved specifications shall be installed. The developer's cost and the timing of improvements shall be included as a condition of development approval. Traffic signals on roads under state jurisdiction shall be determined by the Oregon Department of Transportation.

H. Future Street Plan and Extension of Streets.

1. A future street plan shall be filed by the applicant in conjunction with an application for a subdivision in order to facilitate orderly development of the street system. The plan shall show the pattern of existing and proposed future streets from the boundaries of the proposed land division and shall include other parcels within 500 feet surrounding and adjacent to the proposed land division. The street plan is not binding; rather it is intended to show potential future street extensions with future development.

2. Streets shall be extended to the boundary lines of the parcel or tract to be developed, when the Community Development Director or Planning Commission determines that the extension is necessary to give street access to, or permit a satisfactory future division of, adjoining land. The point where the streets temporarily end shall conform to subparagraphs a through c of this paragraph:

a. These extended streets or street stubs to adjoining properties are not considered to be cul-de-sacs since they are intended to continue as through streets when the adjoining property is developed.

b. A barricade (e.g., fence, bollards, boulders or similar vehicle barrier) shall be constructed at the end of the street by the subdivider and shall not be removed until authorized by the City or other applicable agency with jurisdiction over the street. The cost of the barricade shall be included in the street construction cost.

c. Temporary turnarounds (e.g., hammerhead or bulb-shaped configuration) may be constructed for stub streets over 150 feet in length for a time period of up to two years. The developer shall guarantee conversion of the temporary hammerhead into a cul-de-sac that meets the standards of this Code by posting a performance bond that guarantees the required improvement within the time specified.

I. Street Alignment and Connections.

1. Staggering of streets making "T" intersections at collectors and arterials shall not be designed so that jogs of less than 300 feet on such streets are created, as measured from the centerline of the street.

2. Spacing between local street intersections shall have a minimum separation of 125 feet, except where more closely spaced intersections are designed to provide an open space, pocket park, common area or similar neighborhood amenity. This standard applies to four-way and three-way (off-set) intersections.

3. All local and collector streets which abut a development site shall be extended within the site to provide through circulation unless prevented by environmental or topographical constraints, existing development patterns or compliance with other standards in this Code. This exception applies when it is not possible to redesign or reconfigure the street pattern to provide required extensions. Land is considered topographically constrained if the slope is greater than 15% for a distance of 250 feet or more. In the case of environmental or topographical constraints, the mere presence of a constraint is not sufficient to show that a street connection is not possible. The applicant must show why the environmental or topographic constraint precludes some reasonable street connection.

4. Proposed streets or street extensions shall be located to provide direct access to existing or planned commercial services and other neighborhood facilities, such as schools, shopping areas and parks.

5. In order to promote efficient vehicular and pedestrian circulation throughout the City, the design of subdivisions and alignment of new streets shall conform to the following standards in Chapter 16.120, Access and Circulation: The maximum block length shall not exceed 1,000 feet between street corner lines unless it is adjacent to an arterial street or unless the topography or the location of adjoining streets justifies an exception. The maximum length of blocks along an arterial is 1,800 feet. A block shall have sufficient width to provide for two tiers of building sites unless topography or location of adjoining streets justifies an exception.

Exceptions to the above standards may be granted when an accessway is provided at or near mid-block, in conformance with the provisions of Section 16.120.030.

J. Sidewalks, Planter Strips, Bicycle Lanes. Sidewalks, planter strips, and bicycle lanes shall be installed in conformance with the standards in Table 16.136.010, applicable provisions of the Transportation System Plan, the Comprehensive Plan, and adopted street plans. Maintenance of sidewalks, curbs, and planter strips is the continuing obligation of the adjacent property owner.

K. Intersection Angles. Streets shall be laid out so as to intersect at an angle as near to a right angle as practicable, except where topography requires a lesser angle or where a reduced angle is necessary to provide an open space, pocket park, common area or similar neighborhood amenity. In addition, the following standards shall apply:

1. Streets shall have at least 25 feet of tangent adjacent to the right-of-way intersection unless topography requires a lesser distance;

2. Intersections which are not at right angles shall have a minimum corner radius of 20 feet along the right-of-way lines of the acute angle; and

3. Right-of-way lines at intersection with arterial streets shall have a corner radius of not less than 20 feet.

L. Existing Rights-of-Way. Whenever existing rights-of-way adjacent to or within a tract are of less than standard width, additional rights-of-way shall be provided at the time of subdivision or development, subject to the provisions of this chapter.

M. Cul-de-Sacs. A dead-end street shall be no more than 200 feet long, shall not provide access to greater than 18 dwelling units, and shall only be used when environmental or topographical constraints, existing development patterns, or compliance with other standards in this Code preclude street extension and through circulation.

1. All cul-de-sacs shall terminate with a circular turnaround. Circular turnarounds shall have a radius of no less than 40 feet from center to edge of pavement except that turnarounds that contain a landscaped island or parking bay in their center shall have a minimum radius of 45 feet. When an island or parking bay is provided, there shall be a fire apparatus lane of at least 20 feet in width; and

2. The length of the cul-de-sac shall be measured along the centerline of the roadway from the near side of the intersecting street to the farthest point of the cul-de-sac.

See Section 16.120.020 for fire access and parking area turnaround requirements based on Uniform Fire Code standards, as amended.

N. Grades and Curves. Grades shall not exceed 10% on arterials, 12% on collector streets, or 12% on any other street (except that local or residential access streets may have segments with grades up to 15% for distances of no greater than 250 feet), and:

1. Centerline curve radii shall not be less than 700 feet on arterials, 500 feet on major collectors, 350 feet on minor collectors, or 100 feet on other streets; and

2. Streets intersecting with a minor collector or greater functional classification street, or streets intended to be posted with a stop sign or signalization, shall provide a landing averaging five percent or less. Landings are that portion of the street within 20 feet of the edge of the intersecting street at full improvement.

O. Curbs, Curb Cuts, Ramps, and Driveway Approaches. Concrete curbs, curb cuts, wheelchair, bicycle ramps and driveway approaches shall be constructed in accordance with standards specified in Chapter 16.120, Access and Circulation, and City construction standards.

P. Streets Adjacent to Railroad Right-of-Way. Wherever the proposed development contains or is adjacent to a railroad right-of-way, a street approximately parallel to and on each side of such right-of-way at a distance suitable for the appropriate use of the land shall be created. New railroad crossings and modifications to existing crossings are subject to review and approval by Oregon Department of Transportation.

Q. Development Adjoining Arterial Streets. Where a development adjoins or is crossed by an existing or proposed arterial street, the development design shall separate residential access and through traffic, and shall minimize traffic conflicts. The design shall include one or more of the following:

1. A parallel access street along the arterial with a landscape buffer separating the two streets;

2. Deep lots abutting the arterial or major collector to provide adequate buffering with frontage along another street. Double-frontage lots shall conform to the buffering standards in Chapter 16.164;

3. Screen planting at the rear or side property line to be contained in a non-access reservation (e.g., public easement or tract) along the arterial; or

4. Other treatment suitable to meet the objectives of this subsection;

5. If a lot has access to two streets with different classifications, primary access shall be from the lower classification street, in conformance with Section 16.120.020.

R. Alleys, Public or Private. Alleys shall conform to the standards in Table 16.136.010. While alley intersections and sharp changes in alignment shall be avoided, the corners of necessary alley intersections shall have a radius of not less than 12 feet.

S. Private Streets. Private streets shall not be used to avoid connections with public streets. Gated communities (i.e., where a gate limits access to a development from a public street) are



prohibited. Design standards for private streets are the same as design standards for public streets and shall conform to the provisions of Table 16.136.010.

T. Street Names. Street naming and numbering in the City of Warrenton (and Hammond) shall follow the uniform system of the City's addressing ordinance (Ord. No. 359-A). Street names, signs and numbers shall conform to the City's addressing ordinance.

U. Survey Monuments. Upon completion of a street improvement and prior to acceptance by the City, it shall be the responsibility of the developer's registered professional land surveyor to provide certification to the City that all boundary and interior monuments shall be reestablished and protected.

V. Street Signs. The City, county or state with jurisdiction shall install all signs for traffic control and street names. The cost of signs required for new development shall be the responsibility of the developer. Street name signs shall be installed at all street intersections. Stop signs and other signs may be required.

W. Mail Boxes. Plans for mail boxes to be used shall be approved by the United States Postal Service.

X. Street Light Standards. Street lights shall be installed in accordance with City standards.

Y. Street Cross-Sections. The final lift of asphalt or concrete pavement shall be placed on all new constructed public roadways prior to final City acceptance of the roadway and within one year of the conditional acceptance of the roadway unless otherwise approved by the City-appointed engineer.

1. Sub-base and leveling course shall be of select crushed rock;
2. Surface material shall be of Class C or B asphaltic concrete;
3. The final lift shall be Class C asphaltic concrete as defined by O.D.O.T/A.P.W.A. standard specifications;
4. No lift shall be less than one and one-half inches in thickness; and
5. All streets shall be developed in accordance with City of Warrenton construction standards.

**Section 2.** Warrenton Municipal Code 16.216.020 General Requirements is hereby amended as follows:

A. Subdivision and Partition Approval Through Two-step Process. Applications for subdivision or partition approval shall be processed through a two-step process: the preliminary plat and the final plat.

1. The preliminary plat shall be approved before the final plat can be submitted for approval consideration; and
2. The final plat shall include all conditions of approval of the preliminary plat.

B. Compliance with ORS Chapter 92. All subdivision and partition proposals shall be in conformance to state regulations set forth in Oregon Revised Statutes (ORS) Chapter 92, Subdivisions and Partitions.

Future Re-Division Plan. When subdividing or partitioning tracts into large lots (i.e., greater than two times or 200% the minimum lot size allowed by the underlying land use district), the City shall require that the lots be of such size, shape, and orientation as to facilitate future re-division in accordance with the requirements of the land use district and this Code. A re-division plan shall be submitted which identifies:

1. Potential future lot division(s) in conformance with the housing and density standards of Division 2.
2. Potential street right-of-way alignments to serve future development of the property and connect to adjacent properties, including existing or planned rights-of-way.
3. A disclaimer that the plan is a conceptual plan intended to show potential future development. It shall not be binding on the City or property owners, except as may be required through conditions of land division approval. For example, dedication and improvement of rights-of-way within the future plan area may be required to provide needed secondary access and circulation.

C. Lot Size Averaging. Single-family residential lot size may be averaged to allow lots less than the minimum lot size in the residential district, as long as the average area for all lots is not less than allowed by the district. No lot created under this provision shall be less than 80% of the minimum lot size allowed in the underlying district. For example, if the minimum lot size is 5,000 square feet, the following three lots could be created: 4,000 square feet, 5,000 square feet, and 6,000 square feet.

D. Temporary Sales Office. A temporary sales office in conjunction with a subdivision may be approved as set forth in Section 16.240.010, Temporary Use Permits.

E. Minimize Flood Damage. All subdivisions and partitions shall be designed based on the need to minimize the risk of flood damage. Development in a flood hazard designation shall comply with the standards of Chapter 16.88, Flood Hazard Overlay (FHO) District, and Federal Emergency Management Agency requirements, including fill to elevate structures above the base flood elevation.

F. Determination of Base Flood Elevation. Shall comply with Chapter 16.88 of the Warrenton Development Code.

G. Need for Adequate Utilities. Shall comply with Chapters 16.136 and 16.216.

H. Need for Adequate Drainage. All subdivision and partition proposals shall comply with Chapter 16.140.

I. ~~Residential Neighborhood Parks. A proposed subdivision which exceeds 50 lots and is more than one mile of an existing park, shall place a neighborhood park within the subdivision.~~

~~1. Size.~~

~~a. 30,000 square feet for the first 50 lots;~~

~~b. For each additional 50 lots an additional 10,000 square feet shall be added to the size of the park; or~~

~~e. The park may be divided and placed to create more than one park in the subdivision.~~

~~2. — Location. The neighborhood park shall be located in the proposed subdivision which is easily accessible to its users.~~

~~3. — Maintenance. The neighborhood park shall be the responsibility of the Homeowners Association and/or the CC&Rs of the subdivision, unless dedicated to the City.~~

Open space shall provide opportunities for active and/or passive recreation and may include existing stands of trees, resource areas, and storm water facilities as outlined in this section. Active open space shall allow human activities including recreational and social opportunities such as play fields, playgrounds, swimming pools, plazas and other recreational facilities. Open space may also be passive and include human activities limited to walking, running, and cycling, seating areas and wildlife viewing or natural areas such as a wetland.

1. A proposed subdivision preliminary plat with 20 lots or more shall provide baseline active open space of an area equal to at least five percent of the subject site.
2. Active open space shall be easily accessible, physically or visually, to all members of the planned community via a minimum thirty (30) foot wide street frontage or access easement.
3. Active open space areas shall have a dedicated meter and underground irrigation system to ensure adequate water supply during establishment period (3-years) and during periods of drought for all newly planted areas.
4. Active open space shall be no smaller than the minimum lot size requirement of the underlying zoning district with a minimum width 40 feet.
5. Active open space may abut a Collector or greater classified street as identified in the City's adopted Transportation System Plan, when separated from the street by a constructed barrier, such as a fence or wall, at least three (3) feet in height.
6. Active Open Space shall be physically accessible to all residents of the development.
7. Active open space shall include physical improvements to enhance the area. Physical improvements may include; benches, gazebos, plazas, picnic areas, playground equipment, sport courts, play fields, or other items permitted by the Planning Commission.
8. An association of owners or tenants, created as a non-profit corporation under the laws of the state (ORS 94.572) which shall adopt and impose articles of incorporation and bylaws and adopt and impose a declaration of covenants and restrictions on the common open

space that is acceptable to the City Attorney as providing for the continuing care of the space. Any subsequent changes to such CC&Rs regarding the active open space must be approved by the City Attorney. Such an association shall be formed and continued for the purpose of maintaining the common open space and shall provide for City intervention and the imposition of a lien against the entire subdivision development in the event the association fails to perform as required; or

9. A public agency which agrees to maintain the dedicated active open space and any buildings, structures, or other improvements which have been placed on it.
10. Dedicated active open space shall be protected by Covenants (CC&Rs) or deed restriction to prevent any future commercial, industrial, or residential development.

J. Street Names.

1. All proposed streets west of Main Avenue shall have a tree or plant life name; and all proposed streets between Highway 101 and Main Avenue shall have a “nautical” name.

2. All proposed streets shall have directional prefixes as part of the street name (i.e., E, NE, SW, S).

3. All proposed streets east of Highway 101 shall follow the street naming procedure as outlined below:

a. Proposed street names shall be submitted as part of a subdivision or partition application to the Planning and Building Department. The request shall include the proposed name(s), the specific street location and brief but complete background information on the name and how it meets the street name policy. If the new street name is indicated on the proposed plat at the time of the land use application it shall be labeled “proposed,” such as “proposed Willener Court.”

b. Streets shall generally be named after people, places, events, and things related to the City and the citizens of Warrenton. Proposed names should meet one of the following criteria:

i. To honor and commemorate noteworthy persons associated with the City of Warrenton, Clatsop County, and the State of Oregon;

ii. To commemorate local history, places, events or culture;

iii. To strengthen neighborhood identity; or

iv. To recognize native wildlife, flora, fauna or natural features related to the community and the City of Warrenton.

Consideration should be given to names of local area or historic significance. Names of living persons should be used only in exceptional circumstances. Only a person’s last name should be used as a street name unless additional identification is necessary to prevent duplications of existing street names in Warrenton and Clatsop County.

c. Names to Avoid.

i. Street names being a duplicate of an existing street in the City of Warrenton or in Clatsop County shall be avoided.

- ii. Similar sounding names such as Beach Avenue and Peach Avenue, Maywood Court and Maywood Lane shall be avoided.
- iii. Cumbersome, corrupted or modified names, discriminatory or derogatory names, from the point of view of race, sex, color, creed, political affiliation or other social factors, shall be avoided.
- iv. Names for public streets that could be construed as advertising a particular business shall be avoided.
- v. The reuse of a former street name should be discouraged because of the confusion this causes in property records management and fire and police protection.
- d. Street Type Designations. Depending on roadway function, length and configuration, designations exist to define the character of a street. The following designations shall be used:
  - i. Avenue. A public or City right-of-way that runs in a north-south direction (except for the Hammond area, which has avenues going east-west).
  - ii. Street. A public or City right-of-way that runs generally in an east-west direction.
  - iii. Boulevard. A major landscaped arterial that carries moderate to heavy volumes of traffic at moderate to high speeds.
  - iv. Court. A local road that is of short length, that carries a low volume of traffic at low speeds, with no cross streets and generally terminates in a cul-de-sac.
  - v. Drive, Parkway, Trail. A meandering collector or arterial that carries low, moderate or high volumes of traffic at low, moderate or high speeds.
  - vi. Lane. A local road that is of short length, that carries a low volume of traffic, at low speeds, and generally terminates in a cul-de-sac.
  - vii. Place, Way. A local road that is of a short length and carries low volumes of traffic at low speeds.
  - viii. Terrace, Gardens, Grove, Heights. For low-volume, short-length streets.

**Section 2. Severability.** If any section, sentence, clause or phrase of this ordinance is ruled invalid by a court of competent jurisdiction, the remaining portion of this ordinance shall remain valid and in full force and effect.

**Section 3. Effective Date.** This ordinance shall be effective 30 days after the second reading.

**ADOPTED** by the City of Warrenton, Oregon, this \_\_\_\_\_ day of \_\_\_\_\_, 201\_.

**First Reading:** \_\_\_\_\_

**Second Reading:** \_\_\_\_\_

Approved:

\_\_\_\_\_  
Henry A. Balensifer, Mayor

Attest:

\_\_\_\_\_  
Dawne Shaw, Deputy City Recorder


7-B

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**

**AGENDA MEMORANDUM**

**TO:** The Warrenton City Commission  
**FROM:** Skip Urling, Community Development Director   
**DATE:** For the Agenda of January 23, 2018  
**SUBJ:** Clatsop County Street Vacation Ordinance No. 1217

After conducting a public hearing at its January 9 meeting the City Commission directed staff to prepare an ordinance to vacate several unimproved street rights of way in the vicinity of SE 19<sup>th</sup> Street as petitioned by Clatsop County. The ordinance is attached.

**RECOMMENDATION/SUGGESTED MOTION**

I move to conduct the first reading of Ordinance No. 1217 by title only.

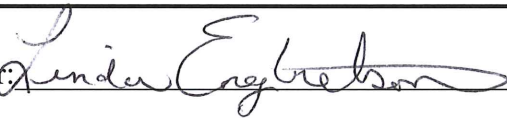
*"An ordinance vacating undeveloped street rights-of-way in the plats of Warrenton Park and Portsmouth Addition to Warrenton in Warrenton, Oregon"*

**ALTERNATIVE**

None recommended

**FISCAL IMPACT**

None

Approved by City Manager:   
All supporting documentation, i.e., maps, exhibits, etc., must be attached to this memorandum.

**ORDINANCE NO. 1217**

**INTRODUCED BY ALL COMMISSIONERS**

**AN ORDINANCE VACATING UNDEVELOPED STREET RIGHTS-OF-WAY IN THE PLATS OF WARRENTON PARK AND PORTSMOUTH ADDITION TO WARRENTON IN WARRENTON, OREGON**

WHEREAS, The Warrenton City Commission deems it to be in the best interest of the City to vacate undeveloped street rights-of-way in the plats of Warrenton Park and Portsmouth Addition to Warrenton in the City of Warrenton, County of Clatsop, State of Oregon; and

WHEREAS, a public hearing on the petition was held at the hour of 6:00 p.m. on Tuesday, January 9, 2018, in the Commission's Chambers at Warrenton City Hall; and

WHEREAS, due notice of time and place for said hearing was given, as by law required;

NOW, THEREFORE, the City of Warrenton ordains as follows:

**Section 1.** The public rights-of-way in the City of Warrenton, Clatsop County, State of Oregon, described as:

all of SE 14<sup>th</sup> Place, SE 15<sup>th</sup> Street, SE 15<sup>th</sup> Place, SE 16<sup>th</sup> Street, SE King Street from SE 19<sup>th</sup> Street to SE 14<sup>th</sup> Street, SE Lake Avenue from SE 19<sup>th</sup> Street to SE 14<sup>th</sup> Street in the plat of Warrenton Park and two remainder streets in the plat of Portsmouth Addition to Warrenton.

are hereby vacated. Nothing contained herein shall cause or require the removal or obstruction of any drainage ditch, abandonment of any sewer, water main conduit, utility line, pole or any other thing used or intended to be used for any public service.

**Section 2.** The Deputy City Recorder of the City of Warrenton is hereby ordered to make this vacation a matter of public record; and it is expressly provided that the petitioner shall forthwith pay the costs of the necessary changes of public records, as required by law, and it is hereby provided that the Deputy City Recorder shall file with the clerk, the assessor, and the surveyor of Clatsop County, a certified copy of this ordinance.

**Section 3.** This ordinance will take effect 30 days after its adoption by the Warrenton City Commission.

Adopted by the City Commission of the City of Warrenton, Oregon this 13<sup>th</sup> day of



February, 2018.

First Reading: January 23, 2018  
Second Reading: February 13, 2018

APPROVED:

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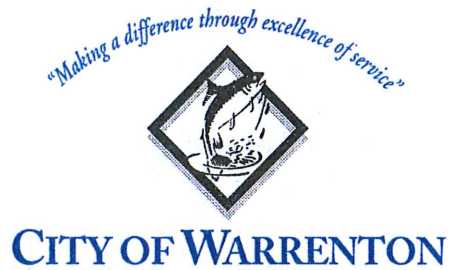
Henry A. Balensifer Mayor

ATTEST:

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Dawne Shaw, Deputy City Recorder

7-C



## AGENDA MEMORANDUM

TO: The Warrenton City Commission

FROM: Dawne Shaw, Deputy City Recorder

DATE: January 23, 2018

SUBJ: Collective Bargaining Agreement – General Employees

### SUMMARY

The Union has ratified the Collective Bargaining Agreement. City Manager Linda Engbretson will discuss the details at the meeting.

### RECOMMENDATION/SUGGESTED MOTION

"I move to approve entering into the Collective Bargaining Agreement, 2017-2021, and approve COLA pay retro-active to July 1, 2017."

### ALTERNATIVE

Other action as deemed appropriate by the City Commission

### FISCAL IMPACT

We estimate the fiscal impact can be absorbed with in the current budget.

Approved by City Manager:

