

*"Making a difference through excellence of service"*



## **CITY OF WARRENTON**

### **AGENDA**

CITY COMMISSION OF THE CITY OF WARRENTON  
REGULAR MEETING  
February 9, 2016 – 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. City Commission Regular Meeting Minutes – 01/26/16
- B. Monthly Finance Report – December 2015
- C. Warrenton Community Center Advisory Board Minutes – 11/19/16
- D. Community Development Permit Activity July – December 2015

Items on the Consent Calendar have previously been discussed and/or are considered routine. Approval of the Consent Calendar requires a motion, a second, and no discussion, unless requested by a member of the City Commission.

6. **BUSINESS ITEMS**
  - A. WBA Community Pride Award
  - B. Library Advisory Board Appointment
  - C. FY 2014-2015 Audit Report

- D. Consideration of Authorizing Street Vacation – Portion of 8<sup>th</sup> Street
- E. Consideration of Clean Water State Revolving Loan Agreement and Authorizing Resolution No. 2455 – Core Conveyance Project
- F. Consideration of Speaker Time Clocks
- G. Consideration of First Reading of Ordinance No. 1199-A; Describing those Areas within the City of Warrenton Open to Migratory Game Bird Hunting and Repealing Ordinance Nos. 905-A and 990-A
- H. Consideration of Resolution No. 2454; Appointing Persons to Fill Positions on the Warrenton Business Association and Setting Terms of Office
- I. Consideration of City Manager Salary Adjustment

7. **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.

8. **EXECUTIVE SESSION**

Under the authority of ORS 192.660(2)(e); *to conduct deliberations with persons designated by the governing body to negotiate real property transactions.*

9. **ADJOURNMENT**

**Warrenton City Hall is accessible to the disabled. If special accommodation is needed, please notify the City Recorder at 503-861-0823, at least 48 hours in advance of the meeting so appropriate assistance can be provided. TDD Users: Please call Oregon Telecommunications relay service at 1-800-735-2900.**



5-A

MINUTES  
Warrenton City Commission  
Regular Meeting - January 26, 2016  
6:00 p.m.  
Warrenton City Hall - Commission Chambers  
225 S. Main  
Warrenton, Or 97146

Mayor Mark Kujala called the meeting to order at 6:00 p.m., then led the public in the Pledge of Allegiance.

Commissioners Present: Tom Dyer, Rick Newton, Henry Balensifer, Mayor Mark Kujala  
Excused: Pam Ackley

Staff Present: City Manager Kurt Fritsch, City Attorney Harold Snow, City Recorder Linda Engbretson, Police Chief Mathew Workman, Interim Public Works Director Ed Wegner, Public Works Foreman Craig Walter, Wastewater Treatment Plant Superintendent Kyle Sharpsteen

**COMMISSIONER COMMENTS/COMMUNICATIONS/AGENDA ADDITIONS**

Commissioner Balensifer - requested that consideration of the purchase of a "*Speaker Time Clock*" for use in the chambers be placed on the next meeting's Agenda.

**CONSENT CALENDAR**

- A. City Commission Regular Meeting Minutes - 01/12/16
- B. Warrenton Police Department December 2015 Statistics Report
- C. Warrenton Police Department 2015 Statistics Review
- D. City of Warrenton Marinas - Monthly Report - December 2015

Chief Workman reported that Darlene Warren and Bev Jackson-Shumaker are working with the Warrenton Assembly of God church to open a Warming Center. They hope to be able to house up to 12 people when the temperature drops below 35 degrees. Chief Workman responded to a question regarding the difference between an incident and a call for service. He explained an incident generates a written report.

**Commissioner Henry Balensifer made the motion to accept the Consent Calendar as presented. Motion was seconded and passed unanimously.**

**Newton - aye; Dyer - aye; Balensifer - aye; Kujala - aye.**

## **BUSINESS**

Ordinance No. 1198-A was introduced at the January 12 meeting where the first reading, by title, was approved.

**Commissioner Rick Newton made the motion to conduct the second reading, by title only, of Ordinance No. 1198-A. Motion was seconded and passed unanimously.**

**Newton - aye; Dyer - aye; Balensifer - aye; Kujala - aye.**

**Mayor Mark Kujala conducted the second reading, by title only, of Ordinance No. 1198-A; *Repealing Ordinance 623-A, Section 9.12 - Marijuana - of the Warrenton Municipal Code.***

**Commissioner Rick Newton made the motion to adopt Ordinance No. 1198-A; *Repealing Ordinance 623-A, Section 9.12 - Marijuana - of the Warrenton Municipal Code.* Motion was seconded and passed unanimously.**

**Newton - aye; Dyer - aye; Balensifer - aye; Kujala - aye.**

Applications for Appointment to the Warrenton Business Association were considered. Seeking reappointment was Ms. Darlene Warren. New applicants were Mr. Jerry McGuffin and Mr. Dan Jackson. It was noted Mr. Jackson was appointed to the Warrenton Urban Renewal Agency Advisory Committee at the January 12 meeting.

**Commissioner Henry Balensifer made the motion to appoint Darlene Warren to Position No. 1 and Jerry McGuffin to Position No. 3 on the Warrenton Business Association Board. Motion was seconded and passed unanimously.**

**Newton - aye; Dyer - aye; Balensifer - aye; Kujala - aye.**

Resolutions to set terms of office resulting from appointments made on January 12 were presented.

**Commissioner Henry Balensifer made the motion to adopt Resolution No. 2449; *Authorizing Appointments to Fill Positions on the Warrenton Budget Committee and Setting Terms of Office.* Motion was seconded and passed unanimously.**

**Newton - aye; Dyer - aye; Balensifer - aye; Kujala - aye.**

**Commissioner Henry Balensifer made the motion to adopt Resolution No. 2450; *Authorizing Appointments to Fill Positions on the Warrenton Planning Commission and***

## MINUTES

Warrenton City Commission

Regular Meeting - 1-26-16

Page: 2

*Setting Terms of Office. Motion was seconded and passed unanimously.*

**Newton - aye; Dyer - aye; Balensifer - aye; Kujala - aye.**

**Commissioner Henry Balensifer made the motion to adopt Resolution No. 2451; Authorizing Appointments to Fill Positions on the Warrenton Community Center Advisory Board and Setting Terms of Office. Motion was seconded and passed unanimously.**

**Newton - aye; Dyer - aye; Balensifer - aye; Kujala - aye.**

**Commissioner Henry Balensifer made the motion to adopt Resolution No. 2452; Authorizing Appointments to Fill Positions on the Warrenton Parks Advisory Board and Setting Terms of Office. Motion was seconded and passed unanimously.**

**Newton - aye; Dyer - aye; Balensifer - aye; Kujala - aye.**

**Commissioner Henry Balensifer made the motion to adopt Resolution No. 2453; Authorizing Appointments to Fill Positions on the Warrenton Community Library Board and Setting Terms of Office. Motion was seconded and passed unanimously.**

**Newton - aye; Dyer - aye; Balensifer - aye; Kujala - aye.**

City Manager Kurt Fritsch explained the Quincy Robinson Trust Fund Board and the Commission, as part of the budget process, approved \$25,000 for playground improvements at the Lower Columbia Youth Soccer Association's (LCYSA) Warrenton Soccer Fields. LCYSA has identified playground equipment for purchase which is available through the US Communities Government Purchasing Alliance. Participating in this type of program allows the City to piggyback on a contract for products that have already been bid by another public agency and awarded to the lowest bid or qualified responder to a Request for Proposals.

**Commissioner Tom Dyer made the motion to approve the addition of the US Communities Government Purchasing Alliance to the City's list of approved procurement agencies. Motion was seconded and passed unanimously.**

**Newton - aye; Dyer - aye; Balensifer - aye; Kujala - aye.**

## **PUBLIC COMMENT**

Jerry McGuffin thanked the Commission for appointing him to the WBA Board. He reported that Mattress World is donating a twin to the proposed Warming Center for every twin purchased for the Center.

There being no further business, Mayor Kujala adjourned the meeting at 6:20 p.m., and announced an executive session, authorized under ORS 192.660(2)(i) *to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.* He stated the Commission would not be returning to regular session to take action on any item discussed during the executive session.

APPROVED

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Mark Kujala, Mayor

ATTEST

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Linda Engbretson, CMC  
City Recorder



**Volume 9, Issue 6**

**Monthly Finance Report  
December 2015**

**February 9, 2016**

**Economic Indicators**

	Current	1 year ago
◆ Interest Rates:		
LGIP :	.59%	.50%
Columbia Bank:	.05%	.05%
◆ Prime Rate:	3.50%	3.25%
◆ L/T Bond Rate:	3.57%	3.70%
◆ CPI-U change:	0.7%	0.8%
◆ Unemployment Rates:		
Clatsop County:	unavail	6.0%
Oregon:	5.4%	6.7%
U.S.:	5.0%	5.6%

**Department Statistics**

◆ Utility Bills mailed	3,277
◆ New Service Connections	1
◆ Reminder Letters	496
◆ Door Hangers	99
◆ Water Service Discontinued	15
◆ Walk-in counter payments	935
◆ Mail payments	1,238
◆ Auto Pay Customers/pymts	522
◆ Online (Web) payments	476
◆ Checks Issued	382

**Current and Pending Projects**

- ◆ M D & A /Audit WURA Annual Report
- ◆ Landfill Financial Assurance Report
- ◆ Warrenton Urban Renewal Agency Annual Report
- ◆ Shoreline Sanitary District Billing Additions
- ◆ 2016-2017 Budget Preparation
- ◆ 2017-2022 Capital Improvement Program

**Financial Narrative as of December 31, 2015**

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

**General Fund:** Year to date revenues amount to \$2,077,051, which is 59% of the budget, compared to the prior year amount of \$1,950,569 and are up by \$126,482. Increases are shown in property taxes, City franchise fees, transient room tax, planning charges and lease receipts and are offset by decreases franchise fees, police charges, miscellaneous and state revenue sharing.

Expenses year to date amount to \$1,957,104, which is 49.7% of the budget, compared to the prior year amount of \$1,695,646, up by \$261,458. All departments are tracking at or under budget except the Admin/Fin/Comm. This department has large expenditures at the beginning of the year.

**WBA:** Business license revenue amounts to \$45,450 compared to \$44,350 last year at this time, a difference of \$1,100. The number of licenses issued to date are 522 compared to 519 last year at this time.

**Building Department:** Permit revenues this month amount to \$13,238, and \$88,349, year to date, which is 101% of the budgeted amount. Last year to date permit revenue was \$112,116. Year to date expenses exceed year to date revenues by \$15,104 and reduces beginning fund balance by same.

**State Tax Street:** State gas taxes re-

ceived this month amount to \$23,509 for fuel sold in November and \$127,764 year to date. City gas taxes received this month amount to \$25,399 for fuel sold in October and \$110,272, year to date. The fund's use of beginning fund balance amounts to \$1,829.

**Warrenton Marina:** Total revenues to date are \$434,410, 79.2% of the budgeted amount, compared to the prior year amount \$356,503 and was 61.5% of the budgeted amount. There is \$46,923 in moorage receivables outstanding.

**Hammond Marina:** Total revenues to date are \$267,516, 66.4% of the budgeted amount, compared to the prior year amount of \$240,772 and was 59.3% of the budgeted amount. There is \$2,417 in moorage receivables outstanding.

Of the total outstanding receivables, \$29,247 is over 90 days old.

**Water Fund:** Utility fees charged this month are \$1,011,115 and \$65,546 and \$744,344 and \$668,124, year to date, for in-city and out-city, respectively and totals \$1,412,468 and is 59.6% of the budget. Last year at this time year to date fees were \$679,398 and \$561,073, for in-city and out-city, respectively, and totaled \$1,240,471. Principal and interest payments on long-term debt this month totaled \$632,209.

**Sewer Fund:** Utility fees this month are \$147,521 and \$910,437, year to date,

and is 52.3% of the budget. Last year to date fees were \$875,187. Septage revenue this month amounts to \$21,200 and \$152,535 year to date and is 76.3% of the budget. Last year year to date septage revenues were \$116,598. Total revenues year to date are \$1,0781,188 compared to \$1,016,310, at this time last year.

**Storm Sewer Fund:** Utility fees (20% of sewer fees) this month are \$29,514 and \$182,067 year to date and is 52.2% of the budget. Total revenues year to date are \$190,256 compared to \$88,728, at this time last year.

**Sanitation Fund:** Service fees charged this month for garbage and recycling were \$69,315 and \$14,106, and \$431,413 and \$84,459, year to date, and are 52.9% and 51.2% of the budget, respectively. Combined service fees, year to date are \$515,875 and \$502,527 year to date as of this time last year.

**Community Center:** Rental revenue to date is \$5,884 and represents 69.2% of the budget. Total expenses are \$9,204 and total revenues are \$16,537. A transfer of \$7,629 was made this year from the general fund.

**Library:** Current year property taxes received this month amount to \$38,249 and \$42,441, year to date, and is 95.2% of the budget. Last year at this time \$40,470 was received. \$1,000 was received from the Ready to Read Grant.



## Financial data as of December 2015

	General Fund				
	Current Month	Year to Date	Budget	% of Budget	
Beginning Fund Balance	1,585,335	1,342,627	950,000	141.33	
Plus: Revenues	178,336	2,077,051	3,519,077	59.02	(see details of revenue, page 4)
Less: Expenditures					
Municipal Court	7,285	55,230	123,741	44.63	
Admin/Comm/Fin (ACF)	56,840	529,367	960,176	55.13	
Planning	23,111	113,885	223,682	50.91	
Police	150,247	731,505	1,592,493	45.93	
Fire	54,734	303,409	729,145	41.61	
Parks	8,880	64,201	151,786	42.30	
Transfers	-	159,507	159,507	100.00	
Total Expenditures	301,097	1,957,104	3,940,530	49.67	
Ending Fund Balance	1,462,574	1,462,574	528,547	276.72	

	WBA				Building Department			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	167,316	153,331	166,950	91.84	239,359	250,885	250,000	100.35
Plus: Revenues	176	45,848	45,660	100.41	13,293	88,923	88,134	100.90
Less: Expenditures	12,749	44,436	124,405	35.72	16,871	104,027	217,815	47.76
Ending Fund Balance	154,743	154,743	88,205	175.44	235,781	235,781	120,319	195.96

	State Tax Street				Warrenton Marina			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	1,140,882	1,155,918	1,050,000	110.09	334,094	104,712	78,500	133.39
Plus: Revenues	49,396	241,350	691,391	34.91	16,327	434,410	470,272	92.37
Less: Expenditures	36,189	243,179	1,386,002	17.55	32,475	221,176	483,439	45.75
Ending Fund Balance	1,154,089	1,154,089	355,389	324.74	317,946	317,946	65,333	486.65



## Financial data as of December 2015, continued

	Hammond Marina				Water Fund			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	300,786	162,079	140,000	115.77	1,569,350	932,184	900,000	103.58
Plus: Revenues	2,723	267,516	262,881	101.76	176,868	1,474,493	4,116,500	35.82
Less: Expenditures	16,098	142,184	310,298	45.82	734,730	1,395,189	4,331,576	32.21
Ending Fund Balance	<u>287,411</u>	<u>287,411</u>	<u>92,583</u>	<u>310.44</u>	<u>1,011,488</u>	<u>1,011,488</u>	<u>684,924</u>	<u>147.68</u>

	Sewer Fund				Storm Sewer			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	1,400,390	1,106,104	1,000,000	110.61	205,002	127,218	140,000	90.87
Plus: Revenues	171,011	1,078,187	3,888,419	27.73	29,431	190,256	350,000	54.36
Less: Expenditures	260,257	873,147	4,174,421	20.92	19,193	102,234	437,003	23.39
Ending Fund Balance	<u>1,311,144</u>	<u>1,311,144</u>	<u>713,998</u>	<u>183.63</u>	<u>215,240</u>	<u>215,240</u>	<u>52,997</u>	<u>406.14</u>

	Sanitation Fund				Community Center			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	361,769	330,622	300,000	110.21	14,223	7,539	3,600	209.42
Plus: Revenues	83,564	517,902	982,000	52.74	2,318	16,537	18,044	91.65
Less: Expenditures	78,198	481,389	1,079,680	44.59	1,669	9,204	20,691	44.48
Ending Fund Balance	<u>367,135</u>	<u>367,135</u>	<u>202,320</u>	<u>181.46</u>	<u>14,872</u>	<u>14,872</u>	<u>953</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	50,131	28,378	29,000	97.86	(2,276)	21,848	16,377	133.41
Plus: Revenues	3,428	47,860	49,978	95.76	20,000	30,009	4,402,122	0.68
Less: Expenditures	4,376	27,055	57,715	46.88	1,906	36,039	4,418,499	0.82
Ending Fund Balance	<u>49,183</u>	<u>49,183</u>	<u>21,263</u>	<u>231.31</u>	<u>15,818</u>	<u>15,818</u>	<u>-</u>	<u>-</u>



## Financial data as of December 2015, continued

## (\$) Cash Balances as of December, 2015

General Fund	1,697,844	Warrenton Marina	273,655	Storm Sewer	183,267
WBA	164,503	Hammond Marina	286,258	Sanitation Fund	299,500
Building Department	240,987	Water Fund	672,469	Community Center	15,904
State Tax Street	1,178,984	Sewer Fund	1,041,315	Library	49,771

## Warrenton Urban Renewal Agency

Capital Projects	15,818
Debt Service	1,148,163

General Fund Revenues	Collection Frequency	2015-2016 Budget	Actual as a	Collections/Accruals		(over) under budget
			% of Current Budget	Year to date		
				December 2015	December 2014	
Property taxes-current	AP	836,149	94.29	788,428	737,888	47,721
Property taxes-prior	AP	35,000	51.63	18,069	17,150	16,931
County land sales	A	-	0.00	-	-	-
Franchise fees	MA	512,000	32.47	166,247	172,012	345,753
COW - franchise fees	M	119,377	52.29	62,423	59,163	56,954
Transient room tax	Q	411,558	64.11	263,841	237,503	147,717
Liquor licenses	A	600	4.17	25	675	575
Grants	S	5,400	0.00	-	-	5,400
State revenue sharing	MQ	135,624	33.37	45,262	45,366	90,362
Municipal court	M	133,645	42.19	56,381	57,293	77,264
Planning charges	I	90,000	59.10	53,188	40,307	36,812
Police charges	I	5,850	31.18	1,824	2,812	4,026
Fire charges	SM	89,302	0.64	571	-	88,731
Park charges	I			100	100	
Housing rehab loans	I	1,200	57.42	689	600	511
Miscellaneous	I	1,200	613.83	7,366	10,629	(6,166)
Interest	M	5,000	55.42	2,771	3,105	2,229
Lease receipts	M	181,996	44.23	80,499	54,804	101,497
Donations	I		0.00	-	1,000	-
<b>Sub-total</b>		<b>2,563,901</b>	<b>60.36</b>	<b>1,547,684</b>	<b>1,440,407</b>	<b>1,016,217</b>
Overhead	M	955,176	55.42	529,367	510,162	425,809
<b>Total revenues</b>		<b>3,519,077</b>	<b>59.02</b>	<b>2,077,051</b>	<b>1,950,569</b>	<b>1,442,026</b>

M - monthly

Q - quarterly

SM - Semi-annual in November then monthly

AP - As paid by taxpayer beginning in November

MA - pacificorp-monthly, Century Link-quarterly, others annually in March

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, 2015. Budget amounts reflect budget adjustments approved by the Commission during the fiscal year. Information and data presented in this report is unaudited.



5-C

**WARRENTON COMMUNITY CENTER**  
Advisory Board Meeting

**Meeting Date: November 19, 2015**

**Place: Warrenton Community Center**

**Call to Order – Chairman, Frank Becker called the meeting to order at 4:10 PM**

**Roll Call: Chairman, Frank Becker; Secretary, Carol Snell, Mel Jasmin, Marc Silva , Lorna Anderson and Warrenton Finance Director, April Clark. Members absent and excused: None**

**Introduction of Guests: None**

**Public Comment: None**

**Approval of Minutes of the October 22, 2015: A motion was offered, by Lorna and seconded by Marc, to approve the minutes as corrected. Motion carried. (2<sup>nd</sup> page - Lorna is at the center on Mondays and Thursdays each week.)**

**Financial Report: Finance Director, April Clark, presented the Center's financial report for the first quarter ending September 2015.**

**Old Business:**

- 1. Mel discussed the raffle. His wife Betsy will come and supervise the dining area. Mel will pick up the coffee.**
- 2. Donation letters have been sent. Two donors have indicated they would like to purchase supplies rather than send money.**

3. Marc will take the flyers to the Chamber for mailing in their December newsletter. Marc will talk to the local Kia dealer and see if they will run our event on their reader board. The WFCU will run our event on their reader board.
4. Lorna will check with Mitchell about washing the dishes, she knows of a group that might be interested in cleaning up after the event. She will check with Emma Edwards about covering the event for the Columbia press.
5. Frank was able to arrange for a Santa Clause, the gentleman from Knappa. He will provide a bill and be paid from the gate receipts. The Pig will provide the pancake mix, the grill and someone to cook the pancakes.
6. Carol will do the grocery shopping on Friday, 12/18/15.
7. Diane Collier and Barret Becker will man the front door taking money and keeping a count of those attending. April will provide the cash box.
8. Marc will check with the high school and Key Club for volunteers to work the breakfast.
9. Set up the Christmas tree on December 1, 2015 at 4:00 PM. Check the office for supplies.  
December 18, 2015, set up for the breakfast and deliver the groceries.  
December 19, 2015, Breakfast 7:00 AM.

April did speak again with the man re: using the Center for his bouncy house business. She has not heard back.

The issue with the inventory was briefly discussed. April provided procedures regarding the renting of the Center, clean-up and inventory. There appears

to be some confusion as to who owns what (senior group vs the City) and who is to take inventory after an event. Does the part-time employee responsible for the Center check to make sure both the senior's and the City's pots, pans, silverware, etc. still remain in the kitchen after an event at the Center?

**New Business:** Annual meeting will be held on January 21, 2015.  
Election of Officers.

**Correspondence:** None

Lorna moved to adjourn the meeting at 5:20 PM. The motion was seconded by Mel. The motion carried.

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Frank Becker, Chairman

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Carol Snell, Secretary

5-D

*"Making a difference through excellence of service"*



## CITY OF WARRENTON

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### Community Development Permit Activity July through December, 2015

#### Land Use Actions

Partition 15-1                      Peaks View LLC

Rezone    RZ-15-1 Warrenton Fiber to rezone 8.3 acres from HR residential  
to I1 General Indst

Site Design SDR 12-1    Walmart Land Use Extention  
SDR15-5                  Madison Warrenton LLC – Sleeptrain

Variance    V-15-3                      Dobney rear setback back 3 feet

#### Development Code Amendment

DCR-15-1 Marijuana Enterprises

#### Pre-application Conferences

PRE-15-7    Palmberg - steel building for storage  
PRE-15-8    Shamrock Yachats - Wayne Dewilde, storage  
facility  
PRE-15-9    Joe Barnes – tri plexs  
PRE-15-10   Home Depot - (Alexandroff) dentist office  
PRE-15-11   Marlin Larsen – Park models in Hammond  
PRE-15-12   Jeff Herbst – Panda Express  
PRE-15-13   Roosevelt Subdivision – 74 lots

Signs            SIG-15-7    Dairy Queen  
                  SIG-15-8    AAA Insurance

Home Occupations

HO-15-01    Hair salon in home  
HO-15-02    Dennis Thomas – woodworking

Land Use Compatibility Statements (a component of applications to state agencies to notify local governments of pending state actions and verify the development is consistent with local development regulations)

LUCS-09    Steve Fulton – State Hwy Approach – South ALT  
                  101  
LUCS-10    Core Conveyance Sanitary Sewer System  
LUCS-11    Williamson – Fishermans Storage NW Warrenton  
                  Dr  
LUCS-12    Adam Crites – NW Cedar Ave  
LUCS-13    Alexandroff – NE Intersection with Ensign Lane  
LUCS-14    Clatsop County– 1190 SE 19<sup>th</sup> Street  
LUCS-15    Port Warrant Moorage Assocation – 357 NE  
                  Skipanon  
LUCS-16    Charlton Deep Sea Charters, Inc. – 470 NE  
                  Skipanon Dr.  
LUCS-17    Jared Rickenbach – Astoria Ford

Building Permits—new construction

Commercial Ben's Computers

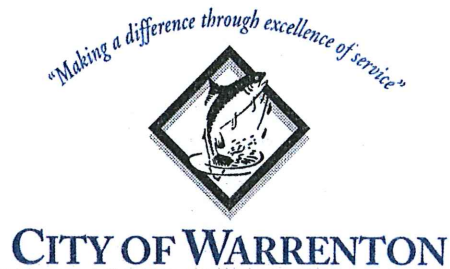
Sleep Train

3 Multi – family

M Korpi (2)

C Johnson

9 Single Family Residential



## AGENDA MEMORANDUM

TO: The Warrenton City Commission  
FROM: Linda Engbretson, CMC, City Recorder/Asst. to the City Manager  
DATE: February 9, 2016, Meeting  
SUBJ: WBA Presentation – Community Pride Award

### SUMMARY

The WBA started the Community Pride program in 2002 to recognize local residents or business owners for improving the outside appearance of their residence or business. Representatives from the Warrenton Business Association will be at your meeting to give a Community Pride Award for the Rustic Salon.

### RECOMMENDATION/SUGGESTED MOTION

No action by the Commission is required.

### ALTERNATIVE

N/A

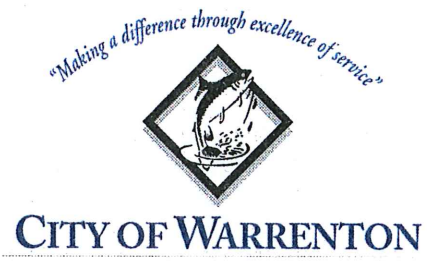
### FISCAL IMPACT

N/A – WBA Budget

Approved by City Manager: \_\_\_\_\_

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

6-B



# AGENDA MEMORANDUM

TO: The Warrenton City Commission  
 FROM: Linda Engbretson, CMC, City Recorder/Asst. to the City Manager  
 DATE: February 9, 2016  
 SUBJ: Community Library Advisory Board

The City has received an application from Baret Murphy-Becker (enclosed). Ms. Murphy-Becker has been invited to the meeting.

**SUMMARY**

The Warrenton Community Library Board has one vacant position. This is a one year appointment as Position 5 has a term ending December 31, 2016, at which time a reappointment or new applicant could be considered.

**RECOMMENDATION/SUGGESTED MOTION**

*" I move to appoint Baret Murphy-Becker to Position No. 5 on the Warrenton Community Library Advisory Board."*

**ALTERNATIVE**

Other action as deemed appropriate by the City Commission

**FISCAL IMPACT**

N/A

Approved by City Manager: *Brent Fisher*

"Making a difference through excellence of service"



CITY OF WARRENTON  
FINANCE DEPT

FEB 02 2016

RECEIVED  
WARRENTON, OR 97146

# CITY OF WARRENTON

## Application for Committee Appointment

To: **Warrenton City Commission and Warrenton City Manager**

I, Baret Murphy-Becker, hereby apply for appointment to serve on the following:

- Budget Committee
- Community Center Board
- Parks Advisory Committee
- Planning Commission
- Warrenton Business Committee
- Warrenton Community Library Board

What is your interest in applying for this position?

I have always cared for libraries - since moving to ~~Warrenton~~ Warrenton I have donated to the library and have helped them find books they needed. I care about the growth of the library.

What experience or qualifications do you have for this position?

I was always involved with libraries and worked in several when I was a student. I've donated my time and many books to libraries over the years.

How much time could you give to serving on this committee?

Weekly  Semi-monthly

Baret Murphy Becker

2/2/2016

Full Name (please print)

Date



6-C

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**


**Finance Department  
Agenda Memorandum**

To: The Honorable Mayor and Members of the Warrenton City Commission  
From: April Clark  
Finance Director  
Date: February 9, 2016

**Regarding – Audit for Fiscal Year Ending June 30, 2015**

The financial Statements, for the City of Warrenton, for the period ending June 30, 2015 are attached.

Our auditor, Paul Nielson, of Isler, CPA will be here this evening to present the financial statements and the results of the audit.

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

*“Making a difference through excellence of service”*



# CITY OF WARRENTON

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

WITH

INDEPENDENT AUDITOR'S REPORT

**CITY OF WARRENTON, OREGON**  
FINANCIAL STATEMENTS AND SUPPLEMENTAL  
INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH  
INDEPENDENT AUDITOR'S REPORT

**CITY OF WARRENTON, OREGON**  
Financial Statements and Supplemental Information  
For the Year Ended June 30, 2015

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Financial Statements and Supplemental Information  
For the Year Ended June 30, 2015

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INTRODUCTORY SECTION

**CITY OF WARRENTON, OREGON**

List of Elected and Appointed Officials

June 30, 2015

**ELECTED OFFICIALS - CITY COMMISSION**

Mayor	Mark Kujala
Position No. 1	Pam Ackley
Position No. 2	Henry Balensifer III, Mayor Pro-tem
Position No. 3	Tom M. Dyer
Position No. 4	Rick Newton

**APPOINTED OFFICIALS**

City Manager	Kurt Fritsch
City Recorder	Linda Engbretson
City Attorney	Harold Snow

**Mailing Address**

PO Box 250  
Warrenton, Oregon 97146



FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission  
City of Warrenton, Oregon  
Warrenton, Oregon

An Independently Owned Member  
**McGLADREY ALLIANCE**



### ***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, 2015, 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, 2015, 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.

**Emphasis of Matter**

The City adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27 and GASB Statement No. 71, Pensions Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB No. 68. Our opinion is not modified with respect to this matter.

Restatement of the comparative financial data for the prior period presented is not practical due to the unavailability of information from the pension plan, therefore the provisions of GASB Statements No. 68 and 71 were not applied to prior period. The cumulative effects of applying the provisions of GASB Statements No. 68 and 71 have been reported as a restatement of beginning net position for the year ended June 30, 2015 in accordance with the Statements.

**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 is 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 January 29, 2016 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  
January 29, 2016

*"Making a difference through excellence of service"*



## **CITY OF WARRENTON**

### **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, 2015. 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, 2015 were \$53,015,009.
- The City's total liabilities and deferred inflows at June 30, 2015 were \$18,305,117.
- The net position of the City at June 30, 2015 was \$34,709,892. Of this amount, \$1,145,482 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2015, the City's governmental funds reported combined ending fund balances of \$5,163,661.
- At the end of the fiscal year, the City's total combined governmental funds had a restricted fund balance of \$3,274,161, a committed fund balance of \$166,014, an assigned fund balance of \$380,858, and an unassigned fund balance of \$1,342,628.
- The General Fund's unassigned fund balance is \$1,342,628 at the end of the current fiscal year, or 40.5% 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 inflows/outflows of resources, with the difference between the two 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 utility
- Sewer utility
- Sanitation utility
- 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 City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 (non-major 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 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. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its water and sewer utilities, sanitation utility, and marinas.

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, of which all are considered to be major funds of the City of Warrenton. The Marina funds are considered to be non-major.

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 can be found in the basic financial statements 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.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The City of Warrenton currently does not have any fiduciary funds.

**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 exceeded liabilities by \$34,709,892 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, 86.3%, 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, 10.4%, represents resources that are subject to external restrictions on how they may be used. The remaining portion represents 3.3% 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-type activities category, unrestricted, is reported as negative \$3,587,590. The negative balance is a result of the City issuing general obligation bonded debt for the Wastewater Treatment Facility. The debt is shown in the governmental activity column, however, the related asset is shown in the Business-Type Activities column and results in negative net position invested in capital assets in the Governmental Activities column because there is no asset to offset the debt balance of \$5,345,284. 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 6,536,334	\$ 5,732,620	\$ 6,470,681	\$ 6,084,538	\$ 13,007,015	\$ 11,817,158
Capital assets, net	9,874,876	8,845,549	29,828,816	30,474,455	39,703,692	39,320,004
Total assets	16,411,210	14,578,169	36,299,497	36,558,993	52,710,707	51,137,162
Deferred outflows	187,712	-	116,590	-	304,302	-
Noncurrent liabilities	7,243,904	7,774,663	8,199,807	8,790,182	15,443,711	16,564,845
Other liabilities	808,349	638,817	719,969	596,500	1,528,318	1,235,317
Total liabilities	8,052,253	8,413,480	8,919,776	9,386,682	16,972,029	17,800,162
Deferred inflows	822,330	-	510,758	-	1,333,088	-
Net position:						
Net investment in capital assets	7,998,104	7,267,832	21,943,326	21,971,032	29,941,430	29,238,864
Restricted	3,313,825	2,725,886	309,155	258,046	3,622,980	2,983,932
Unrestricted	(3,587,590)	(3,829,029)	4,733,072	4,943,233	1,145,482	1,114,204
Total net position	\$ 7,724,339	\$ 6,164,689	\$ 26,985,553	\$ 27,172,311	\$ 34,709,892	\$ 33,337,000

The government's net position increased by \$1,372,892. Implementation of GASB 68 decreased net position by \$1,274,472. Transaction occurring during the current fiscal year increased net position by \$2,647,364.

The City's total assets and deferred outflows at June 30, 2015 increased \$1,877,847 from \$51,137,162 to \$53,015,009, or 3.67% from the prior year. Cash increased by \$515,639, or 5.8% from the prior year. Receivables increased by \$86,309, or 7.3% from the prior year. Inventories decreased by \$29,183, or 8.4% from the prior year. Capital assets, net, increased by \$383,688, or 1%, from the prior year. The remaining current assets, Prepayments, decreased by \$72,811, or 90%, from the prior year.

The City's total liabilities and deferred inflows at June 30, 2015 increased by \$504,955, or 2.8%, from the prior year. Accounts payable increased \$408,199, or 55.60%, from the prior year. Interest payable on long term debt decreased by \$14,696 or 8.3% from the prior year. The City's outstanding debt decreased \$1,121,134, or 7.6%.

City of Warrenton's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Fines, fees, and charges for services	\$ 852,841	\$ 638,486	\$ 6,184,042	\$ 5,495,558	\$ 7,036,883	\$ 6,134,044
Operating grants and contributions	29,391	13,681	4,825	4,775	34,216	18,456
Capital grants and contributions	513,743	205,146	207,573	150,320	721,316	355,466
General revenues:						
Property taxes	2,054,143	2,021,600	-	-	2,054,143	2,021,600
Other taxes	1,354,426	1,257,306	121,673	109,432	1,476,099	1,366,738
Franchise fees	650,020	625,982	-	-	650,020	625,982
Unrestricted investment earnings	22,890	22,520	17,757	26,829	40,647	49,349
Other	-	-	35,000	-	35,000	-
Total revenues	5,477,454	4,784,721	6,570,870	5,786,914	12,048,324	10,571,635
Expenses:						
General government	284,836	391,180	-	-	284,836	391,180
Fire and emergency medical services	549,317	620,778	-	-	549,317	620,778
Police	1,063,784	1,302,470	-	-	1,063,784	1,302,470
Planning and development	415,341	321,851	-	-	415,341	321,851
Library and cultural services	124,182	121,954	-	-	124,182	121,954
Public Works	388,429	638,736	-	-	388,429	638,736
Interest on long-term liabilities	273,548	265,812	-	-	273,548	265,812
Water utility	-	-	2,374,217	2,585,199	2,374,217	2,585,199
Sewer utility	-	-	2,242,401	2,150,396	2,242,401	2,150,396
Sanitation utility	-	-	964,243	919,447	964,243	919,447
Marinas	-	-	720,662	730,189	720,662	730,189
Total expenses	3,099,437	3,662,781	6,301,523	6,385,231	9,400,960	10,048,012
Increase (decrease) in net position	2,378,017	1,121,940	269,347	(598,317)	2,647,364	523,623
Net position, July 1	6,164,689	5,042,749	27,172,311	27,770,628	33,337,000	32,813,377
GASB 68 restatement	(818,367)	-	(456,105)	-	(1,274,472)	-
Net position, July 1, as restated	5,346,322	5,042,749	26,716,206	27,770,628	32,062,528	32,813,377
Net position, June 30	\$ 7,724,339	\$ 6,164,689	\$ 26,985,553	\$ 27,172,311	\$ 34,709,892	\$ 33,337,000

**Governmental activities.** Governmental activities increased the City's net position by \$1,559,650. Implementation of GASB 68 decreased net position by \$818,367. Transactions occurring during the current fiscal year increased net position by \$2,378,017.

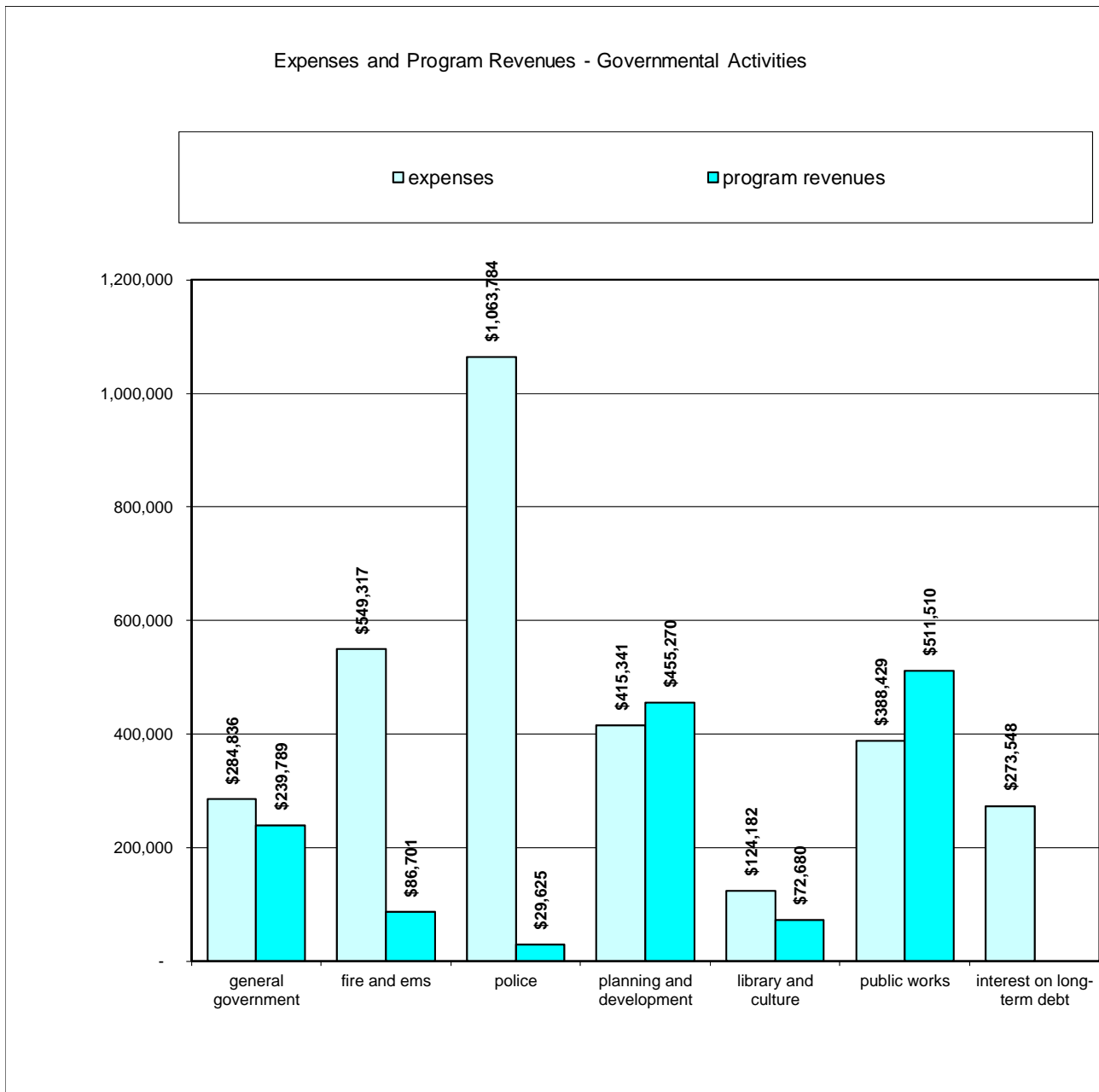
The primary elements of the change in total net position are as follows:

- Revenues overall increased \$692,733 as fines, fees and charges for service and capital grants and contributions show the biggest increases of \$214,355 and \$308,597, respectively. These increases are mainly from planning fees, building permits and system development charges.
- The General Fund permanent rate tax increased \$29,448, the Urban Renewal Agency's tax decreased \$19,705, local option taxes for the Police Department and the Library increased \$1,252, and taxes to pay debt increased \$21,548.
- Franchise fees increased by \$24,038 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 nominally by \$370 during the year.
- Interest expense on debt increased \$7,736 from the prior year.



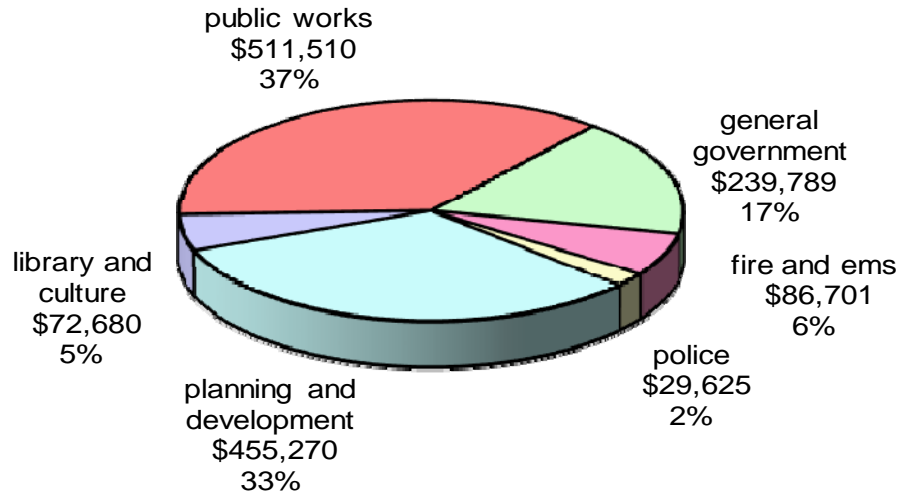
- Total expenses decreased by \$563,344 with the largest decrease coming from Public Works in the amount of \$250,307 over the prior year.

The following graph summarizes the 2014-2015 governmental activity program revenues and corresponding expenses. The revenues shown total \$1,395,975 an increase from the prior year of \$538,662, 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 \$4,081,479 and increased by \$154,071 from the prior year.



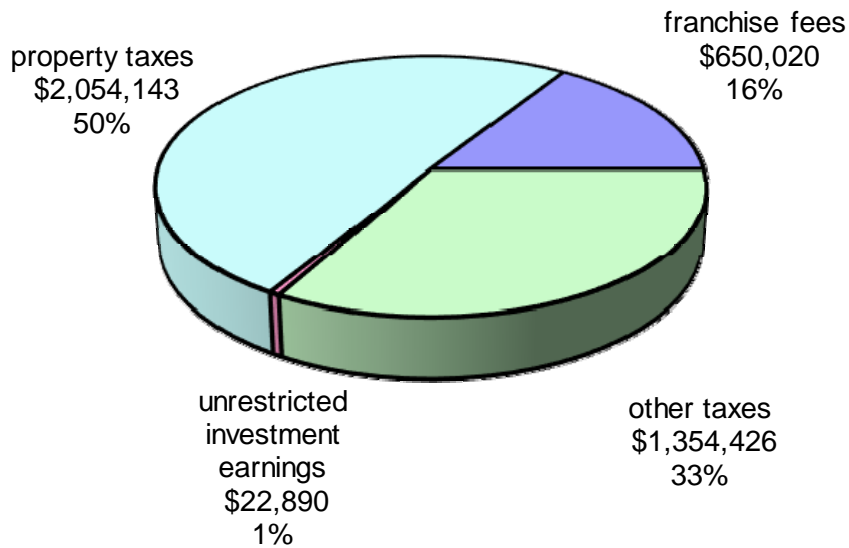
This next chart shows the total functional revenues for each program in the amount of \$1,395,975 and the percentage of the total.

**Program Revenues - Governmental Activities -  
Charges for Service, Operating and Capital Grants**



As the next chart reflects, most 2014-2015 governmental activities relied on general discretionary revenues to support the function. This graph shows total discretionary revenues in the amount of \$4,081,479 and the percentage in each category.

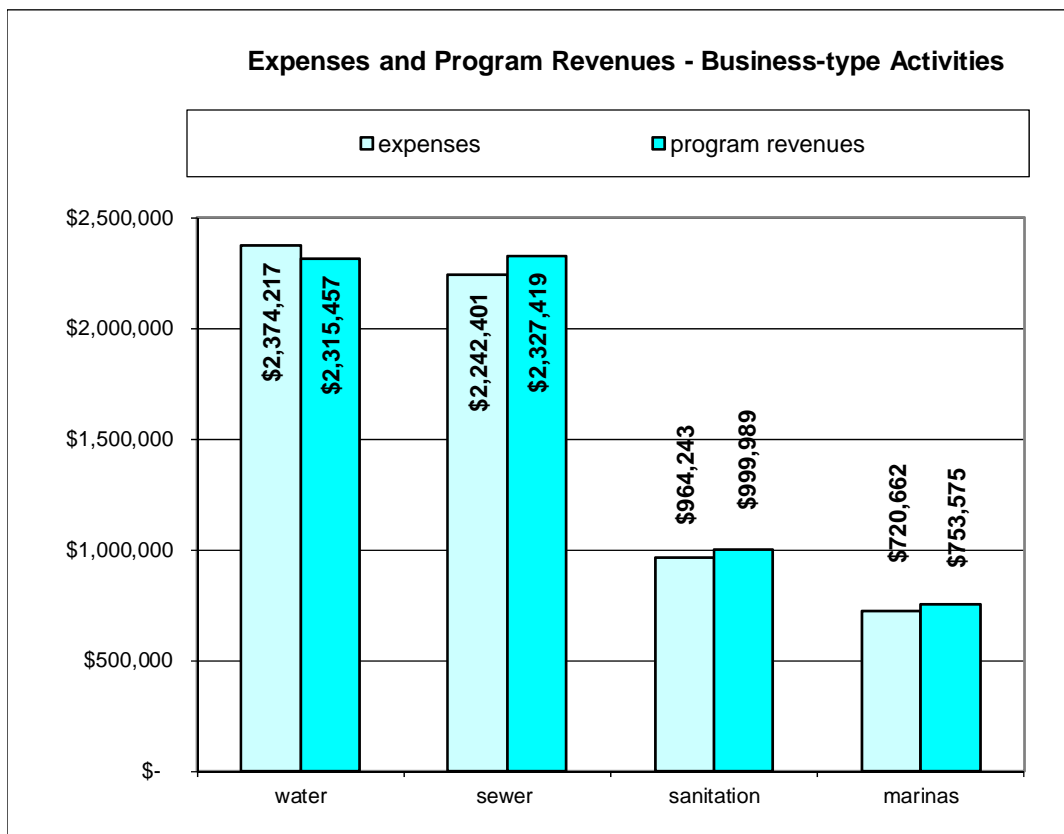
**Discretionary Revenues by Source - Governmental Activities**



**Business-type activities.** Business-type activities decreased the City's net position by \$186,758. Implementation of GASB 68 decreased net position by \$456,105. Transactions occurring during the current fiscal year increased net position by \$269,347. Key elements of this increase are as follows:

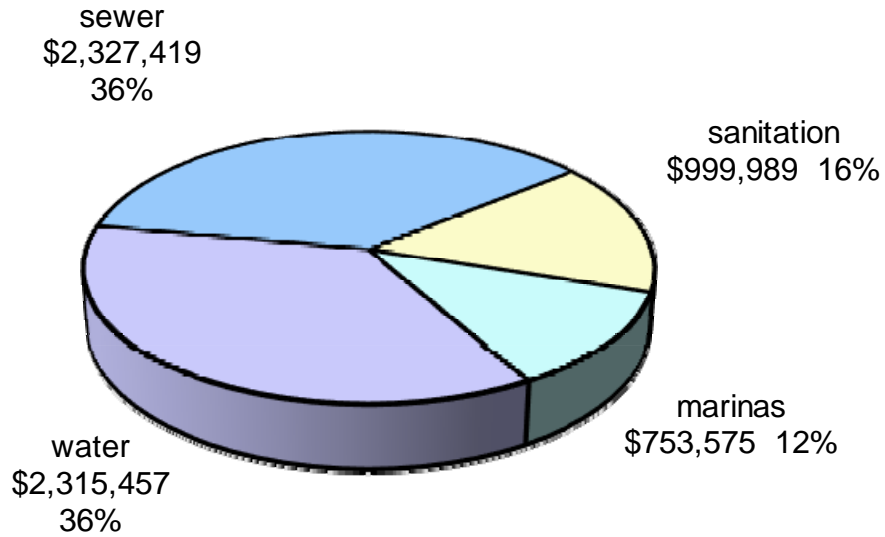
- Fines, fees, and charges for services had a net increase this year of 688,484 from the prior year. Revenues increased in the Water fund, this year by \$203,120, they increased in the Sewer Fund by \$192,732, and increased in the Sanitation Fund by \$27,944, and the Marinas show increases of \$235,352. Gross water sales increased by \$214,541, or 11.2%, from the prior year, as a result of water consumption increases of approximately 1.9 million gallons and a rate increase of 10% that was effective on July 1, 2014.
- Combined operating and capital grants and contributions increased this year by \$57,303 and are mostly due to an increase in SDC (System Development Charges) revenue, included in this category, of \$101,873 and a decrease of \$44,570 in Oregon State Marine Board Grants for the Marinas.
- Unrestricted investment earnings (interest from bank accounts) decreased by \$9,072 during the year.
- Total business-type activity revenues increased by \$783,956.
- Total operating expenses decreased from the prior year in the amount of \$83,708.

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 2014-2015 expenses and revenues of those funds.



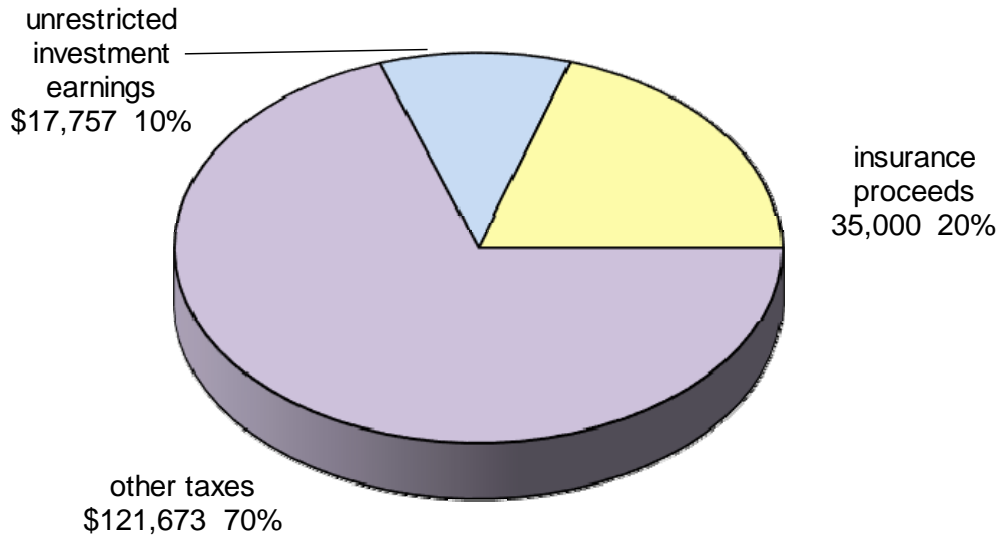
Total program revenues in the business-type activities of the City total \$6,396,440 as represented by the percentages in the chart below for 2014-2015.

**Program Revenues - Business-type Activities  
Charges for Service, Operating and Capital Grants**



In the following graph, discretionary revenues amount to \$174,430. Other taxes are transient room tax dedicated to the Hammond Marina. Insurance proceeds were used to purchase an easement in the Water Fund.

**Discretionary Revenues by Source - Business Activities**



## 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 \$5,163,661 an increase of \$221,525 in comparison with the prior year. Of this amount \$32,195 is related to the transfer of the Storm Sewer System Development Charges Fund from governmental to business-type activities and the remaining \$253,720 is related to current year activity. Approximately 26% of fund balance (\$1,342,628) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either, *restricted, committed, or assigned* to indicate that it is 1) restricted for particular purposes (\$3,274,161), 2) committed for particular purposes (\$166,014), or 3) assigned for particular purposes (\$380,858).

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 \$1,342,628 and is unassigned. This balance increased from the prior year, in the amount of \$118,111. 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. Unassigned fund balance represents approximately 40.5% of total General Fund expenditures and transfers out, while total fund balance represents 40.5% of that same amount.

The fund balance of the City's General Fund increased by \$118,111 during the current fiscal year. While revenues increased \$207,230, expenses also increased by \$242,374. Key elements of the increase to fund balance are as follows:

- Taxes increased by \$26,663 during the year. Revenue in this category comes mostly from property taxes and land sales which increased by \$22,355 and transient room tax which increased by \$4,308.
- Franchise fees increased by \$24,235. This revenue stream can be quite cyclical.
- Intergovernmental receipts from Oregon state revenue sharing for cigarette, liquor, and 911 increased by \$4,323.
- Charges for services increased by \$145,302. This increase is mainly from an increase in Planning Application Fees of \$145,146. Police fees which are in this category increased by \$5,360.
- Lease receipts decreased by \$29,417 as result of five leased properties being taken out of the General Fund land lease inventory and moved to the Warrenton Marina.
- Fines and fees from Municipal Court decreased by \$11,150.
- Investment (interest) earnings increased by \$633.
- Other revenues decreased by \$1,874.
- Expenditures and other uses in the General Fund increased \$242,374 from the prior year. Most of the increase occurred in Planning (\$151,652) although there were increases in all of the departments as follows: General Government (Administration, Commission, Finance), \$47,415, Public Works (Parks) \$14,104, Police, \$10,632, General Government (Municipal Court), \$7,341, Fire and Emergency Medical Services, \$4,175 which includes the debt service cost of \$41,466, and Transfers, \$7,055.

The State Tax Street Fund has a total fund balance of \$1,155,918, 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 \$147,663.

- Revenue, from all sources, increased from the prior year by \$60,618. State and City fuel taxes increased by \$59,065. Other nominal revenues increased by \$1,553.
- Total expenses, including capital outlay, increased this year by \$368,633. Operational expenses decreased this year by \$197,488 and capital project costs this year increased by \$566,121.

The Warrenton Urban Renewal Capital Projects Fund, has a total fund balance of \$21,848, all of which is restricted for community development as set forth in the Warrenton Urban Renewal District Plan document. The net decrease in fund balance during the current year was \$444,307 and is attributable to the following:

- Revenue, from all sources, decreased from the prior year by \$770,031 mainly from loan proceeds from a credit line with Columbia Bank of \$200,000. In the prior year \$970,000 was drawn from Urban Renewal Tax increment financing (UR Bonds Series 2012).
- Total expenses, including capital outlay, increased this year by \$91,220. Operational expenses decreased this year by \$3,105 and capital project costs this year increased by \$94,325.

**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 \$4,003,560, and those for the marinas, the nonmajor funds, amount to \$729,512.

The total change in net position for all funds was \$269,347. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

### **Budgetary Highlights**

The budgetary statements for the Library, Warrenton Marina Fund, Hammond Marina Fund and the Storm Sewer Fund show the original budget, final budget, actual revenues, expenditures and transfers in and out for the fiscal year ended June 30, 2015. As shown, the Commission approved changes to the original budget during the year ended. In the Library Fund a transfer was made to increase revenues and expenditures in materials and services, in the amount of \$4,349, to allow for increased revenues and costs related to a grant from Reading Outreach in Clatsop County. A transfer was also made for the Library Fund in the amount of \$350 to allow for additional spending authority in personnel services to allow the Library Assistant to cover for the Library Coordinator while on vacation. The transfer offset contingency in the same amount. A transfer was made in both the Warrenton Marina Fund and the Hammond Marina Fund to allow for additional spending authority in personnel services in the amount of \$1,000 and \$5,000, respectively, for overtime expenditures that were needed but not included in the adopted budget. Transfers were made from materials and services in the same amounts. A transfer was made in the Storm Sewer Fund in the amount of \$33,470 from contingency to allow for additional spending authority in materials and services in the amount of \$18,790 and in capital outlay in the amount of \$14,680 for a maintenance project on the Enterprise Tide Gate and a capital outlay project on a sluice gate, respectively.

**Capital Asset and Debt Administration**

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$2,410,431	\$2,410,431	\$ 379,622	\$ 327,619	\$ 2,790,053	\$ 2,738,050
Buildings	3,469,993	2,938,064	1,342,872	1,394,297	4,812,865	4,332,361
Equipment	848,302	845,415	915,572	1,049,873	1,763,874	1,895,288
Improvements	364,540	393,981	563,024	607,185	927,564	1,001,166
Facilities	-	-	26,325,630	26,838,441	26,325,630	26,838,441
Infrastructure	2,302,632	1,465,383	-	-	2,302,632	1,465,383
Construction in progress	478,978	792,275	302,096	257,040	781,074	1,049,315
<b>Total</b>	<b>\$9,874,876</b>	<b>\$8,845,549</b>	<b>\$29,828,816</b>	<b>\$30,474,455</b>	<b>\$39,703,692</b>	<b>\$39,320,004</b>

**Capital assets.** The City's investment in capital assets for its governmental and business type activities as of June 30, 2015, amounts to \$39,703,692. 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 \$383,688 during the year because capital asset additions of \$2,330,385 less current year depreciation, in the amount of \$1,913,863, along with dispositions in the amount of \$32,834, net to the overall increase of capital assets at the end of the year.

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

Equipment and vehicle acquisitions amounted to a total of \$178,018 which includes a public works service truck, a mower for parks, and a mower for sewer, purchased in Public Works for \$35,000, \$23,870, and \$11,256, respectively. A 2015 Chevy Tahoe and a radar trailer was purchased for the police department, in the amount of \$42,594 and \$6,495, respectively. The fire department purchased an F350 Quick Response Vehicle in the amount of \$58,803.

Major capital improvements were as follows:

SW Main Court 2<sup>nd</sup> to 4<sup>th</sup> street reconstruction paving cost \$338,550.

Engineering costs for construction of the core conveyance amounted to \$78,818.

Pump station improvements were completed at Warrenton Drive and NW 9<sup>th</sup> in the amount of \$401,502.

SW Birch Ct street and utility improvement costs totalled \$270,773.

Improvements were made to the NE Pacific entry road in the amount of \$83,938.

The Warrenton Urban Renewal Agency incurred \$633,250 of capital improvements this year for Marina Phase I improvements. Of this amount, \$269,576 was for construction of the Office/Restroom and \$338,444 was for NE Heron street/utility improvements.

Overall, these construction and equipment additions total \$1,984,749 and represent approximately 85.2% 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 noncurrent liabilities of \$15,443,711. Of this amount, \$7,885,490 is proprietary fund secured loans, \$314,317 is the outstanding liability for landfill post closure care costs, \$153,434 is a capital lease, and \$6,990,470 represents outstanding bonded indebtedness. The bonded indebtedness represents debt backed by the full faith and credit of the government.

<b>City of Warrenton's Long-Term Liabilities</b>						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$5,610,284	\$6,115,791	\$ -	\$ -	\$ 5,610,284	\$ 6,115,791
Urban Renewal Bonds Series 2012	1,380,186	1,469,998	-	-	1,380,186	1,469,998
Notes Payable	100,000	-	7,885,490	8,503,424	7,985,490	8,503,424
Capital Lease payable	153,434	188,874	-	-	153,434	188,874
Landfill Postclosure Care	-	-	314,317	286,758	314,317	286,758
<b>Total</b>	<b>\$7,243,904</b>	<b>\$7,774,663</b>	<b>\$8,199,807</b>	<b>\$8,790,182</b>	<b>\$15,443,711</b>	<b>\$16,564,845</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 2016 budget:

- A 3% increase in assessed property values resulting in the same increase in property tax revenue.
- Cost of living adjustment to wages of 2.5%.
- A 15% increase in water utility rates, a 2.5% increase in sewer utility rates, and storm sewer rates increased from 10% of sewer to 20% of the sewer rate to fund future capital needs.
- Interest rates on money market and savings accounts will continue to be flat.
- On the expenditure side, increases are expected in health insurance premiums.
- The City of Warrenton continues to purchase a catastrophic liability insurance policy to protect itself from unforeseen losses in excess of \$5 million.

**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



BASIC FINANCIAL STATEMENTS

**CITY OF WARRENTON, OREGON**

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,473,540	\$ 5,187,865	\$ 10,661,405
Receivables	637,219	638,769	1,275,988
Inventory, at cost	-	319,741	319,741
Prepays	-	7,764	7,764
Restricted cash - loan reserve	-	52,214	52,214
Capital assets:			
Nondepreciable assets	2,889,409	681,718	3,571,127
Depreciable assets (net of accumulated depreciation)	6,985,467	29,147,098	36,132,565
Net pension asset	<u>425,575</u>	<u>264,328</u>	<u>689,903</u>
 Total assets	 16,411,210	 36,299,497	 52,710,707
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>187,712</u>	<u>116,590</u>	<u>304,302</u>
 Total assets and deferred outflows	 <u>16,598,922</u>	 <u>36,416,087</u>	 <u>53,015,009</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	675,328	467,044	1,142,372
Accrued interest payable	17,794	143,888	161,682
Compensated absences	114,205	106,150	220,355
Unearned revenue	1,022	2,887	3,909
Noncurrent liabilities:			
Due within one year	656,675	649,363	1,306,038
Due in more than one year	<u>6,587,229</u>	<u>7,550,444</u>	<u>14,137,673</u>
 Total liabilities	 8,052,253	 8,919,776	 16,972,029
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>822,330</u>	<u>510,758</u>	<u>1,333,088</u>
 Total liabilities and deferred inflows	 <u>8,874,583</u>	 <u>9,430,534</u>	 <u>18,305,117</u>
<b>NET POSITION</b>			
Net investment in capital assets	7,998,104	21,943,326	29,941,430
Restricted for:			
Road maintenance	1,152,758	-	1,152,758
Debt service	1,194,292	-	1,194,292
Library and culture	29,911	-	29,911
Public works	176,653	-	176,653
Building inspection program	247,260	-	247,260
System development	512,951	309,155	822,106
Unrestricted (deficit)	<u>(3,587,590)</u>	<u>4,733,072</u>	<u>1,145,482</u>
 Total net position	 <u>\$ 7,724,339</u>	 <u>\$ 26,985,553</u>	 <u>\$ 34,709,892</u>

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

**CITY OF WARRENTON, OREGON**

Statement of Activities

For the Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>				
	<u>Expenses</u>	<u>Indirect Expense Allocation</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>					
General government	\$ 1,134,635	\$ (849,799)	\$ 237,289	\$ -	\$ 2,500
Fire and emergency medical services	498,348	50,969	86,701	-	-
Police	1,026,292	37,492	17,300	12,325	-
Planning and development	401,173	14,168	450,270	5,400	-
Library and culture	104,659	19,523	60,566	10,666	1,448
Public works	341,347	47,082	715	1,000	509,795
Interest on long-term liabilities	273,548	-	-	-	-
<b>Total governmental activities</b>	<u>3,780,002</u>	<u>(680,565)</u>	<u>852,841</u>	<u>29,391</u>	<u>513,743</u>
<b>Business-type activities:</b>					
Water utilities	2,130,689	243,528	2,228,777	-	86,680
Sewer utilities	1,955,421	286,980	2,215,901	-	111,518
Sanitation utilities	888,913	75,330	999,989	-	-
Marinas	645,935	74,727	739,375	4,825	9,375
<b>Total business-type activities</b>	<u>5,620,958</u>	<u>680,565</u>	<u>6,184,042</u>	<u>4,825</u>	<u>207,573</u>
<b>Total activities</b>	<u>\$ 9,400,960</u>	<u>\$ -</u>	<u>\$ 7,036,883</u>	<u>\$ 34,216</u>	<u>\$ 721,316</u>

General revenues:

Taxes:

Property taxes levied for general purposes

Property taxes levied for debt service

Other taxes

Franchise fees

Unrestricted investment earnings

Insurance proceeds

Total general revenues

Change in net position

Net position, beginning, as restated

Net position, ending

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

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (45,047)	\$ -	\$ (45,047)
(462,616)	-	(462,616)
(1,034,159)	-	(1,034,159)
40,329	-	40,329
(51,502)	-	(51,502)
123,081	-	123,081
<u>(273,548)</u>	<u>-</u>	<u>(273,548)</u>
<u>(1,703,462)</u>	<u>-</u>	<u>(1,703,462)</u>
-	(58,760)	(58,760)
-	85,018	85,018
-	35,746	35,746
-	32,913	32,913
<u>-</u>	<u>94,917</u>	<u>94,917</u>
<u>(1,703,462)</u>	<u>94,917</u>	<u>(1,608,545)</u>
890,496	-	890,496
1,163,647	-	1,163,647
1,354,426	121,673	1,476,099
650,020	-	650,020
22,890	17,757	40,647
-	35,000	35,000
<u>4,081,479</u>	<u>174,430</u>	<u>4,255,909</u>
2,378,017	269,347	2,647,364
<u>5,346,322</u>	<u>26,716,206</u>	<u>32,062,528</u>
<u>\$ 7,724,339</u>	<u>\$ 26,985,553</u>	<u>\$ 34,709,892</u>

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

**CITY OF WARRENTON, OREGON**

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2015

	General (001)	State Tax Street (040)	Warrenton Urban Renewal Agency Capital Projects (200)	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,398,350	\$ 1,242,569	\$ 174,142	\$ 2,658,479	\$ 5,473,540
Receivables:					
Taxes	77,318	-	-	112,341	189,659
Accounts	216,150	-	-	43,767	259,917
Rehabilitation loans	71,116	-	-	-	71,116
Intergovernmental	17,053	81,060	-	-	98,113
Grants	8,159	-	-	10,255	18,414
Due from other funds	8,325	-	-	-	8,325
Total assets	<u>\$ 1,796,471</u>	<u>\$ 1,323,629</u>	<u>\$ 174,142</u>	<u>\$ 2,824,842</u>	<u>\$ 6,119,084</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and other					
current liabilities	\$ 268,221	\$ 167,711	\$ 152,294	\$ 87,102	\$ 675,328
Unearned revenues	542	-	-	480	1,022
Due to other funds	-	-	-	8,325	8,325
Total liabilities	<u>268,763</u>	<u>167,711</u>	<u>152,294</u>	<u>95,907</u>	<u>684,675</u>
Deferred Inflows of Resources:					
Unavailable revenues	<u>185,080</u>	<u>-</u>	<u>-</u>	<u>85,668</u>	<u>270,748</u>
Total liabilities & deferred inflows	<u>453,843</u>	<u>167,711</u>	<u>152,294</u>	<u>181,575</u>	<u>955,423</u>
Fund Balances:					
Restricted for:					
Road maintenance	-	1,155,918	-	-	1,155,918
Debt service	-	-	-	1,127,528	1,127,528
Library and culture	-	-	-	28,378	28,378
Public works	-	-	-	176,653	176,653
Community development	-	-	21,848	-	21,848
Building inspection programs	-	-	-	250,885	250,885
Capital projects	-	-	-	512,951	512,951
Committed to:					
Library and culture	-	-	-	160,870	160,870
Grant expenditures	-	-	-	5,144	5,144
Assigned to:					
Capital projects	-	-	-	380,858	380,858
Unassigned	<u>1,342,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,342,628</u>
Total fund balances	<u>1,342,628</u>	<u>1,155,918</u>	<u>21,848</u>	<u>2,643,267</u>	<u>5,163,661</u>
Total liabilities, deferred inflows of					
resources and fund balances	<u>\$ 1,796,471</u>	<u>\$ 1,323,629</u>	<u>\$ 174,142</u>	<u>\$ 2,824,842</u>	<u>\$ 6,119,084</u>

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

**CITY OF WARRENTON, OREGON**  
 Reconciliation of the Balance Sheet of Governmental  
 Funds to the Statement of Net Position  
 June 30, 2015

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

Fund balances - governmental funds		\$ 5,163,661
Receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		270,748
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:		
Nondepreciable assets	\$ 2,889,409	
Depreciable assets	11,135,918	
Accumulated depreciation	<u>(4,150,451)</u>	
		9,874,876
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:		
Net pension asset	425,575	
Deferred outflows of resources related to pensions	187,712	
Deferred inflows of resources related to pensions	<u>(822,330)</u>	
		(209,043)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(114,205)	
Accrued interest payable	(17,794)	
Capital leases	(153,434)	
Long-term debt	<u>(7,090,470)</u>	
		<u>(7,375,903)</u>
Net position of governmental activities		<u>\$ 7,724,339</u>

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

**CITY OF WARRENTON, OREGON**

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2015

		Warrenton			
		State Tax	Urban Renewal	Nonmajor	
	General (001)	Street (040)	Agency Capital	Governmental	Total
			Projects (200)	Funds	
<b>Revenues:</b>					
Taxes	\$ 1,277,930	\$ 304,780	\$ -	\$ 1,419,793	\$ 3,002,503
Franchise fees	649,261	-	-	-	649,261
Licenses and permits	700	-	-	329,870	330,570
Intergovernmental	130,013	322,899	2,500	12,325	467,737
Charges for services	263,967	-	-	12,489	276,456
Lease receipts	110,339	-	-	-	110,339
Fines and forfeits	120,962	-	-	223	121,185
Investment earnings	6,489	5,434	153	10,813	22,889
Donations	1,000	-	-	63,218	64,218
Indirect cost allocation	863,880	-	-	-	863,880
Other revenues	12,172	491	-	2,161	14,824
<b>Total revenues</b>	<u>3,436,713</u>	<u>633,604</u>	<u>2,653</u>	<u>1,850,892</u>	<u>5,923,862</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	965,390	-	13,710	235,916	1,215,016
Fire and emergency medical services	555,481	-	-	-	555,481
Police	1,252,494	-	-	12,323	1,264,817
Planning and development	267,756	-	-	198,851	466,607
Library and culture	-	-	-	112,151	112,151
Public works	127,482	784,507	-	16,774	928,763
<b>Debt service:</b>					
Principal retirement	35,440	-	-	695,319	730,759
Interest	6,026	-	-	269,305	275,331
<b>Capital outlay</b>	-	-	633,250	121,659	754,909
<b>Total expenditures</b>	<u>3,210,069</u>	<u>784,507</u>	<u>646,960</u>	<u>1,662,298</u>	<u>6,303,834</u>
<b>Excess (deficiency) of revenues</b>					
<b>over (under) expenditures</b>	<u>226,644</u>	<u>(150,903)</u>	<u>(644,307)</u>	<u>188,594</u>	<u>(379,972)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	108,533	108,533
Transfers out	(108,533)	-	-	-	(108,533)
Loan proceeds	-	-	200,000	-	200,000
Capital contributions	-	3,240	-	430,452	433,692
<b>Total other financing sources (uses)</b>	<u>(108,533)</u>	<u>3,240</u>	<u>200,000</u>	<u>538,985</u>	<u>633,692</u>
<b>Net change in fund balances</b>	118,111	(147,663)	(444,307)	727,579	253,720
<b>Fund Balances:</b>					
Beginning of year, as restated	1,224,517	1,303,581	466,155	1,915,688	4,909,941
End of year	<u>\$ 1,342,628</u>	<u>\$ 1,155,918</u>	<u>\$ 21,848</u>	<u>\$ 2,643,267</u>	<u>\$ 5,163,661</u>

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

**CITY OF WARRENTON, OREGON**

Reconciliation of the Statement of Revenues, Expenditures, And Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2015

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

Net change in fund balances - governmental funds	\$ 253,720
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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	(16,220)
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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	\$ 1,405,526	
Current year depreciation	(372,848)	
Net book value of assets disposed	<u>(3,351)</u>	
		1,029,327

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	1,519	
Interest	1,783	
Expenses related to pension obligations	<u>577,129</u>	
		580,431

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	(200,000)	
Repayment of long-term debt	<u>730,759</u>	
		<u>530,759</u>

Change in net position of governmental activities	<u>\$ 2,378,017</u>
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The accompanying notes are an integral part of these financial statements.



**CITY OF WARRENTON, OREGON**

GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 1,193,222	\$ 1,193,222	\$ 1,277,930	\$ 84,708
Franchise fees	618,950	618,950	649,261	30,311
Licenses and permits	500	500	700	200
Intergovernmental	124,993	124,993	130,013	5,020
Charges for services	408,402	408,402	263,967	(144,435)
Lease receipts	112,744	112,744	110,339	(2,405)
Fines and forfeits	158,234	158,234	120,962	(37,272)
Investment earnings	5,935	5,935	6,489	554
Indirect cost allocation	891,775	891,775	863,880	(27,895)
Donations	-	-	1,000	1,000
Other revenue	<u>2,300</u>	<u>2,300</u>	<u>12,172</u>	<u>9,872</u>
Total revenues	<u>3,517,055</u>	<u>3,517,055</u>	<u>3,436,713</u>	<u>(80,342)</u>
Expenditures:				
Municipal Court	114,716	114,716	101,510	13,206
Administration/Commission/Finance	891,775	891,775	863,880	27,895
Planning/Development	519,125	519,125	267,756	251,369
Police	1,403,981	1,403,981	1,252,494	151,487
Fire	695,932	695,932	596,947	98,985
Parks	176,686	176,686	127,482	49,204
Contingency	<u>186,145</u>	<u>186,145</u>	<u>-</u>	<u>186,145</u>
Total expenditures	<u>3,988,360</u>	<u>3,988,360</u>	<u>3,210,069</u>	<u>778,291</u>
Excess (deficiency) of revenues over (under) expenditures	(471,305)	(471,305)	226,644	697,949
Other financing sources (uses):				
Transfers out	<u>(108,533)</u>	<u>(108,533)</u>	<u>(108,533)</u>	<u>-</u>
Net change in fund balance	(579,838)	(579,838)	118,111	697,949
Fund Balance:				
Beginning of year	<u>765,000</u>	<u>765,000</u>	<u>1,224,517</u>	<u>459,517</u>
End of year	<u>\$ 185,162</u>	<u>\$ 185,162</u>	<u>\$ 1,342,628</u>	<u>\$ 1,157,466</u>

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

**CITY OF WARRENTON, OREGON**

STATE TAX STREET FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 280,000	\$ 280,000	\$ 304,780	\$ 24,780
Intergovernmental	418,876	418,876	322,899	(95,977)
Investment earnings	5,000	5,000	5,434	434
Other revenue	-	-	491	491
Capital contributions	<u>-</u>	<u>-</u>	<u>3,240</u>	<u>3,240</u>
Total revenues	<u>703,876</u>	<u>703,876</u>	<u>636,844</u>	<u>(67,032)</u>
Expenditures:				
Personal services	65,252	65,252	59,843	5,409
Materials and services	472,221	472,221	120,247	351,974
Capital outlay	1,073,150	1,073,150	604,417	468,733
Contingency	<u>107,563</u>	<u>107,563</u>	<u>-</u>	<u>107,563</u>
Total expenditures	<u>1,718,186</u>	<u>1,718,186</u>	<u>784,507</u>	<u>933,679</u>
Net change in fund balance	(1,014,310)	(1,014,310)	(147,663)	866,647
Fund Balance:				
Beginning of year	<u>1,325,000</u>	<u>1,325,000</u>	<u>1,303,581</u>	<u>(21,419)</u>
End of year	<u>\$ 310,690</u>	<u>\$ 310,690</u>	<u>\$ 1,155,918</u>	<u>\$ 845,228</u>

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

**CITY OF WARRENTON, OREGON**  
**WARRENTON URBAN RENEWAL CAPITAL PROJECTS**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 2,500	\$ 2,500
Investment earnings	<u>300</u>	<u>300</u>	<u>153</u>	<u>(147)</u>
Total revenues	<u>300</u>	<u>300</u>	<u>2,653</u>	<u>2,353</u>
Expenditures:				
Materials and services	53,000	78,000	13,710	64,290
Capital outlay	<u>4,653,234</u>	<u>4,628,234</u>	<u>633,250</u>	<u>3,994,984</u>
Total expenditures	<u>4,706,234</u>	<u>4,706,234</u>	<u>646,960</u>	<u>4,059,274</u>
Excess (deficiency) of revenues over (under) expenditures	(4,705,934)	(4,705,934)	(644,307)	4,061,627
Other financing sources (uses):				
Loan proceeds	<u>4,502,122</u>	<u>4,502,122</u>	<u>200,000</u>	<u>(4,302,122)</u>
Net change in fund balance	(203,812)	(203,812)	(444,307)	(240,495)
Fund Balance:				
Beginning of year	<u>203,812</u>	<u>203,812</u>	<u>466,155</u>	<u>262,343</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,848</u>	<u>\$ 21,848</u>

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

**CITY OF WARRENTON, OREGON**

PROPRIETARY FUNDS

Statement of Net Position

June 30, 2015

	Business-type Activities - Enterprise Funds				Total
	Water	Sewer	Sanitation	Nonmajor	
	Enterprise	Enterprise	Enterprise	Enterprise	
	Fund	Fund	Fund	Funds	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 1,884,306	\$ 1,794,039	\$ 770,091	\$ 739,429	\$ 5,187,865
Utility receivables	211,481	242,879	102,554	-	556,914
Accounts receivable	-	9,807	-	28,284	38,091
Intergovernmental receivables	-	-	-	31,989	31,989
Grants receivable	-	-	-	9,375	9,375
Other receivables	2,400	-	-	-	2,400
Inventory, at cost	197,118	104,836	17,787	-	319,741
Prepaid expenses	6,735	682	347	-	7,764
<b>Total current assets</b>	<b>2,302,040</b>	<b>2,152,243</b>	<b>890,779</b>	<b>809,077</b>	<b>6,154,139</b>
Noncurrent assets:					
Restricted cash - loan reserve	-	52,214	-	-	52,214
Capital assets:					
Nondepreciable assets	316,474	231,377	29,669	104,198	681,718
Depreciable assets, net	16,802,350	10,843,074	291,142	1,210,532	29,147,098
Net pension asset	101,128	86,487	25,110	51,603	264,328
<b>Total noncurrent assets</b>	<b>17,219,952</b>	<b>11,213,152</b>	<b>345,921</b>	<b>1,366,333</b>	<b>30,145,358</b>
<b>Total assets</b>	<b>19,521,992</b>	<b>13,365,395</b>	<b>1,236,700</b>	<b>2,175,410</b>	<b>36,299,497</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pensions	44,606	38,147	11,076	22,761	116,590
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and other current liabilities	148,014	238,080	51,773	29,177	467,044
Accrued interest payable	130,052	13,836	-	-	143,888
Compensated absences	37,432	39,994	6,571	22,153	106,150
Unearned revenue	-	-	-	2,887	2,887
Loans payable - current	507,063	130,650	-	-	637,713
Landfill postclosure care - current	-	-	11,650	-	11,650
<b>Total current liabilities</b>	<b>822,561</b>	<b>422,560</b>	<b>69,994</b>	<b>54,217</b>	<b>1,369,332</b>
Noncurrent liabilities:					
Loans payable	6,272,272	975,505	-	-	7,247,777
Landfill postclosure care liability	-	-	302,667	-	302,667
<b>Total liabilities</b>	<b>7,094,833</b>	<b>1,398,065</b>	<b>372,661</b>	<b>54,217</b>	<b>8,919,776</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to pensions	195,408	167,118	48,520	99,712	510,758
<b>NET POSITION</b>					
Net investment in capital assets	10,339,489	9,968,296	320,811	1,314,730	21,943,326
Restricted for system development	113,135	196,020	-	-	309,155
Unrestricted	1,823,733	1,674,043	505,784	729,512	4,733,072
<b>Total net position</b>	<b>\$ 12,276,357</b>	<b>\$ 11,838,359</b>	<b>\$ 826,595</b>	<b>\$ 2,044,242</b>	<b>\$ 26,985,553</b>

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

**CITY OF WARRENTON, OREGON**

PROPRIETARY FUNDS

Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds				
	Water		Sanitation	Nonmajor	Total
	Enterprise	Sewer	Enterprise	Enterprise	
Fund	Enterprise Fund	Fund	Funds		
<b>Operating Revenues:</b>					
Charges for services	\$ 2,217,358	\$ 2,196,430	\$ 997,444	\$ 685,244	\$ 6,096,476
Lease receipts	-	-	-	40,595	40,595
Other operating revenues	11,419	19,471	2,545	13,536	46,971
Total operating revenues	<u>2,228,777</u>	<u>2,215,901</u>	<u>999,989</u>	<u>739,375</u>	<u>6,184,042</u>
<b>Operating Expenses:</b>					
Payroll and payroll benefits	620,629	746,770	179,592	318,180	1,865,171
Contracted services	76,394	122,071	532,475	11,839	742,779
Utilities and telephone	90,194	158,274	5,395	128,166	382,029
Repairs and maintenance	376,464	267,959	52,231	43,147	739,801
Other operating expenses	148,869	141,748	97,091	46,574	434,282
Overhead cost allocation	103,023	121,405	31,868	31,613	287,909
Depreciation	726,764	635,965	65,591	112,696	1,541,016
Total operating expenses	<u>2,142,337</u>	<u>2,194,192</u>	<u>964,243</u>	<u>692,215</u>	<u>5,992,987</u>
Operating income (loss)	<u>86,440</u>	<u>21,709</u>	<u>35,746</u>	<u>47,160</u>	<u>191,055</u>
<b>Nonoperating Revenues (Expenses):</b>					
Investment earnings	5,798	5,438	1,823	4,698	17,757
Taxes	-	-	-	121,673	121,673
Intergovernmental	-	-	-	14,200	14,200
Debt service - interest expense	(231,880)	(47,170)	-	-	(279,050)
Gain/(loss) on disposition of capital assets	-	(1,039)	-	(28,447)	(29,486)
Insurance proceeds	35,000	-	-	-	35,000
Total nonoperating revenues (expenses)	<u>(191,082)</u>	<u>(42,771)</u>	<u>1,823</u>	<u>112,124</u>	<u>(119,906)</u>
Income (loss) before contributions	(104,642)	(21,062)	37,569	159,284	71,149
Capital contribution	<u>86,680</u>	<u>111,518</u>	<u>-</u>	<u>-</u>	<u>198,198</u>
Change in net position	(17,962)	90,456	37,569	159,284	269,347
<b>Net Position:</b>					
Beginning of year, as restated	<u>12,294,319</u>	<u>11,747,903</u>	<u>789,026</u>	<u>1,884,958</u>	<u>26,716,206</u>
End of year	<u>\$ 12,276,357</u>	<u>\$ 11,838,359</u>	<u>\$ 826,595</u>	<u>\$ 2,044,242</u>	<u>\$ 26,985,553</u>

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

**CITY OF WARRENTON, OREGON**  
**PROPRIETARY FUNDS**  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds				Total
	Water	Sewer	Sanitation	Nonmajor	
	Enterprise Fund	Enterprise Fund	Enterprise Fund	Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 2,205,506	\$ 2,210,872	\$ 998,644	\$ 617,421	\$ 6,032,443
Payments to suppliers and contractors	(636,398)	(575,996)	(669,930)	(223,185)	(2,105,509)
Payments to employees	(615,422)	(688,100)	(169,483)	(345,797)	(1,818,802)
Payments for interfund services	(243,528)	(286,980)	(75,330)	(74,727)	(680,565)
Net cash provided by (used in) operating activities	<u>710,158</u>	<u>659,796</u>	<u>83,901</u>	<u>(26,288)</u>	<u>1,427,567</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental operating grants received	-	-	-	4,825	4,825
Taxes collected	-	-	-	117,266	117,266
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,091</u>	<u>122,091</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	85,580	111,518	-	-	197,098
Acquisition and construction of capital assets	(96,103)	(623,029)	(4,550)	(63,379)	(787,061)
Principal paid on debt	(490,847)	(127,087)	-	-	(617,934)
Interest paid on debt	(242,820)	(49,143)	-	-	(291,963)
Net cash used in capital and related financing activities	<u>(744,190)</u>	<u>(687,741)</u>	<u>(4,550)</u>	<u>(63,379)</u>	<u>(1,499,860)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends received	<u>5,798</u>	<u>5,438</u>	<u>1,823</u>	<u>4,698</u>	<u>17,757</u>
Net change in cash and cash equivalents	(28,234)	(22,507)	81,174	37,122	67,555
Cash and cash equivalents:					
Beginning of year	<u>1,912,540</u>	<u>1,868,760</u>	<u>688,917</u>	<u>702,307</u>	<u>5,172,524</u>
End of year	<u>\$ 1,884,306</u>	<u>\$ 1,846,253</u>	<u>\$ 770,091</u>	<u>\$ 739,429</u>	<u>\$ 5,240,079</u>

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

Cash and cash equivalents	\$ 1,884,306	\$ 1,794,039	\$ 770,091	\$ 739,429	\$ 5,187,865
Restricted cash - loan reserve	-	52,214	-	-	52,214
	<u>\$ 1,884,306</u>	<u>\$ 1,846,253</u>	<u>\$ 770,091</u>	<u>\$ 739,429</u>	<u>\$ 5,240,079</u>

Continued on next page

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

**CITY OF WARRENTON, OREGON**  
**PROPRIETARY FUNDS**  
Combining Statement of Cash Flows, Continued  
For the Year Ended June 30, 2015

	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 86,440	\$ 21,709	\$ 35,746	\$ 47,160	\$ 191,055
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	726,764	635,965	65,591	112,696	1,541,016
Net reduction of expense under GASB 68	(137,142)	(117,286)	(34,052)	(69,980)	(358,460)
(Increase) decrease in assets:					
Receivables	(23,271)	(5,029)	(1,345)	(10,728)	(40,373)
Inventory	23,688	(3,225)	8,720	-	29,183
Prepaid expenses	4,025	(12)	(6)	-	4,007
Increase (decrease) in liabilities:					
Accounts payable and other accrued expenses	27,810	117,293	(19,011)	6,541	132,633
Compensated absences	1,844	10,381	699	(751)	12,173
Unearned revenue	-	-	-	(111,226)	(111,226)
Landfill postclosure care liability	-	-	27,559	-	27,559
Net cash provided by (used in) operating activities	<u>\$ 710,158</u>	<u>\$ 659,796</u>	<u>\$ 83,901</u>	<u>\$ (26,288)</u>	<u>\$ 1,427,567</u>

**Schedule of noncash transactions:**

Insurance proceeds used to purchase capital assets	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,000</u>
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The accompanying notes are an integral part of these financial statements.

# CITY OF WARRENTON, OREGON

## Notes to the Financial Statements

June 30, 2015

### **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.

#### **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, OREGON

### Notes to the Financial Statements

June 30, 2015

#### **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 operating funds of the Warrenton and Hammond Marinas and their related capital reserve funds as nonmajor enterprise funds. Revenue is from user fees.

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.

# CITY OF WARRENTON, OREGON

## Notes to the Financial Statements

June 30, 2015

### **Note I - Summary of significant accounting policies, continued**

#### **C. Measurement focus, basis of accounting, and financial statement presentation, continued**

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 or fund balance**

##### **1. Deposits and investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the State of Oregon Local Government Investment Pool ("LGIP"), and short-term investments with original maturities of three months or less from the date of acquisition.

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

Investments are reported at fair value.

##### **2. Receivables and payables**

Service and property taxes receivable 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 been recognized as revenue in the governmental fund financial statements.

# CITY OF WARRENTON, OREGON

## Notes to the Financial Statements

June 30, 2015

### **Note I - Summary of significant accounting policies, continued**

#### **D. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance, continued**

##### **2. Receivables and payables, continued**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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."

The governmental fund financial statements report advances to/from other funds as nonspendable fund balance to indicate funds are not available for appropriation and are not expendable financial resources.

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 and intangible 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, OREGON

### Notes to the Financial Statements

June 30, 2015

#### **Note I - Summary of significant accounting policies, continued**

#### **D. Assets, liabilities, deferred outflows/inflows of resources, and net position or 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, is 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 assets. 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.

##### **9. *Net position flow assumption***

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.

## CITY OF WARRENTON, OREGON

### Notes to the Financial Statements

June 30, 2015

#### **Note I - Summary of significant accounting policies, continued**

#### **D. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance, continued**

##### **10. 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.

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

##### **12. 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.

# CITY OF WARRENTON, OREGON

## Notes to the Financial Statements

June 30, 2015

### **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 funds and departments is the object group level of personal services, materials and services, capital outlay, debt service, interfund transfers, and contingency except the general fund where the levy is by department. 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. During the fiscal year ended June 30, 2015, the City Commission approved six budget adjustments through resolution.

### **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 institution	4,777,988
Investments - State of Oregon Local Government Investment Pool	<u>5,934,431</u>
Total	<u>\$ 10,713,619</u>

Cash and investments are reflected in the government-wide statement of net assets as follows:

Cash and cash equivalents	\$ 10,661,405
Temporarily restricted cash	<u>52,214</u>
Total	<u>\$ 10,713,619</u>

*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.

*Investments.* 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.

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Detailed notes on all funds, continued**

**A. Deposits and investments, continued**

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, 2015, 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:

Delinquent property taxes receivable:	
General fund	\$ 59,000
Nonmajor special revenue funds	3,148
Nonmajor debt service funds	82,520
Franchise fees - general fund	54,964
Rehabilitation loans - general fund	<u>71,116</u>
Total unavailable revenues for governmental funds	<u>\$ 270,748</u>

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Detailed notes on all funds, continued**

**C. Capital assets**

Capital asset activity for the year ended June 30, 2015 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	\$ 2,410,431	\$ -	\$ -	\$ -	\$ 2,410,431
Construction in progress	<u>792,275</u>	<u>168,134</u>	<u>(3,351)</u>	<u>(478,080)</u>	<u>478,978</u>
Total capital assets, not being depreciated	<u>3,202,706</u>	<u>168,134</u>	<u>(3,351)</u>	<u>(478,080)</u>	<u>2,889,409</u>
Capital assets, being depreciated:					
Parking and land improvements	716,543	-	-	-	716,543
Buildings	4,099,062	289,496	-	332,482	4,721,040
Equipment and vehicles	2,031,756	135,612	(13,877)	1,113	2,154,604
Infrastructure	<u>2,586,962</u>	<u>812,284</u>	<u>-</u>	<u>144,485</u>	<u>3,543,731</u>
Total capital assets being depreciated	9,434,323	1,237,392	(13,877)	478,080	11,135,918
Less accumulated depreciation for:					
Parking and land improvements	(322,562)	(29,441)	-	-	(352,003)
Buildings	(1,160,998)	(90,049)	-	-	(1,251,047)
Equipment and vehicles	(1,186,341)	(133,838)	13,877	-	(1,306,302)
Infrastructure	<u>(1,121,579)</u>	<u>(119,520)</u>	<u>-</u>	<u>-</u>	<u>(1,241,099)</u>
Total accumulated depreciation	<u>(3,791,480)</u>	<u>(372,848)</u>	<u>13,877</u>	<u>-</u>	<u>(4,150,451)</u>
Total capital assets, being depreciated, net	<u>5,642,843</u>	<u>864,544</u>	<u>-</u>	<u>478,080</u>	<u>6,985,467</u>
Governmental activities capital assets, net	<u>\$ 8,845,549</u>	<u>\$ 1,032,678</u>	<u>\$ (3,351)</u>	<u>\$ -</u>	<u>\$ 9,874,876</u>



**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**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	\$ 327,619	\$ 52,003	\$ -	\$ -	\$ 379,622
Construction in progress	<u>257,040</u>	<u>172,280</u>	<u>(1,039)</u>	<u>(126,185)</u>	<u>302,096</u>
Total capital assets, not being depreciated	<u>584,659</u>	<u>224,283</u>	<u>(1,039)</u>	<u>(126,185)</u>	<u>681,718</u>
Capital assets, being depreciated:					
Parking areas	920,676	28,447	(28,447)	-	920,676
Buildings	2,420,278	-	-	-	2,420,278
Equipment and vehicles	4,582,697	48,094	-	-	4,630,791
Utility facilities	<u>40,750,454</u>	<u>624,039</u>	<u>-</u>	<u>126,185</u>	<u>41,500,678</u>
Total capital assets being depreciated	48,674,105	700,580	(28,447)	126,185	49,472,423
Less accumulated depreciation for:					
Parking areas	(313,491)	(44,161)	-	-	(357,652)
Buildings	(1,025,981)	(51,425)	-	-	(1,077,406)
Equipment and vehicles	(3,532,824)	(182,395)	-	-	(3,715,219)
Utility facilities	<u>(13,912,013)</u>	<u>(1,263,035)</u>	<u>-</u>	<u>-</u>	<u>(15,175,048)</u>
Total accumulated depreciation	<u>(18,784,309)</u>	<u>(1,541,016)</u>	<u>-</u>	<u>-</u>	<u>(20,325,325)</u>
Total capital assets, being depreciated, net	<u>29,889,796</u>	<u>(840,436)</u>	<u>(28,447)</u>	<u>126,185</u>	<u>29,147,098</u>
Business-type activities capital assets, net	<u>\$ 30,474,455</u>	<u>\$ (616,153)</u>	<u>\$ (29,486)</u>	<u>\$ -</u>	<u>\$ 29,828,816</u>

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**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	\$	73,127
Fire and emergency medical services		67,270
Police		51,565
Planning and development		4,500
Library and culture		22,947
Public works		<u>153,439</u>
Total depreciation expense - governmental activities	\$	<u>372,848</u>
Business-type activities:		
Water utilities	\$	726,764
Sewer utilities		635,965
Sanitation utilities		65,591
Marinas		<u>112,696</u>
Total depreciation expense - business-type activities	\$	<u>1,541,016</u>

**D. Interfund receivables, payables, and transfers**

At June 30, 2015 the grants fund, a nonmajor governmental fund, owed \$8,325 to the general fund to cover expenditures have not yet been reimbursed by the granting agency.

The interfund transfer activity for the year ended June 30, 2015 was as follows:

	Transfers
	<u>Out:</u>
	General
	<u>Fund</u>
<u>Transfers In:</u>	
Nonmajor Governmental Funds	<u>\$ 108,533</u>

Interfund transfers are used to provide funds for debt service, contribute towards the cost of capital projects, and to provide operational resources.

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Detailed notes on all funds, continued**

**E. Leases**

Capital Leases

The government has entered into lease agreements as lessee for financing equipment. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Amortization of leased assets is included in current year depreciation expense.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
2010 E-One Pumper Truck	\$ 281,776
Less: accumulated depreciation	(56,355)
Total	\$ 225,421

The future minimum lease payments under the capital lease at June 30, 2015, are as follows:

<u>Year ending June 30.</u>	Future Minimum Lease Payments		
	Present Value	Interest	Total
2016	\$ 36,571	\$ 4,895	\$ 41,466
2017	37,737	3,728	41,465
2018	38,942	2,524	41,466
2019	40,184	1,282	41,466
Total minimum lease payments	153,434	\$ 12,429	\$ 165,863
Less current maturities	(36,571)		
Long-term portion	\$ 116,863		

**F. Long-term debt**

Long-term debt outstanding at year end is as follows:

Purpose	Interest Rates	Amount
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 is June 15, 2017.	4.20% to 5.00%	\$ 265,000
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	5,345,284

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Detailed notes on all funds, continued**

**F. Long-term debt, continued**

<p>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.</p>	3.75%	1,380,186
<p>The Oregon Economic Development Department loan L96009 in the original amount of \$210,000 was used in the water enterprise for equipment and facilities. The loan matures December 1, 2015 and is secured by equipment.</p>	6.0%	17,274
<p>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.</p>	5.01%	223,417
<p>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.</p>	6.0%	36,457
<p>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.</p>	5.16%	1,591,399
<p>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.</p>	4.1%	887,838
<p>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.</p>	5.16%	189,980
<p>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.</p>	1.0%	1,602,196
<p>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.</p>	3.0%	2,358,112
<p>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.</p>	4.62%	309,181
<p>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.</p>	3.77%	76,754

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Detailed notes on all funds, continued**

**F. Long-term debt, continued**

<p>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.</p>	<p>2.91% plus 0.5% annual fee</p>	<p>592,882</p>
<p>The Columbia Bank loan is a line of credit issued in October 2014 with a two-year maturity. During the year ended June 30, 2015 the City withdrew \$200,000 and made repayments on the line of \$100,000. The funds were used in the urban renewal capital projects fund for downtown improvements. The loan carried a variable interest rate identified as the Columbia Bank Base Rate plus 1%, with a minimum rate of 5%. The loan matures on October 1, 2016 and is secured by tax-increment revenues.</p>	<p>5.00%</p>	<p><u>100,000</u></p>
<p>Total debt outstanding</p>		<p>14,975,960</p>
<p>Less current portion</p>		<p><u>1,257,817</u></p>
<p>Long-term portion</p>		<p><u>\$ 13,718,143</u></p>

The total debt outstanding is reported in the schedule of changes in long-term liabilities as follows:

	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities - General obligation bonds payable	\$ 6,990,470	\$ 620,104
Business-type activities - Loans payable	<u>7,885,490</u>	<u>637,713</u>
Total	<u>\$ 14,875,960</u>	<u>\$ 1,257,817</u>

By bond loan covenants, the City is required to establish reserves as follows:

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

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

Annual debt service requirements to maturity at year end are as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 620,104	\$ 250,117	\$ 637,712	\$ 267,875
2017	740,354	222,973	639,765	242,865
2018	521,083	197,308	664,661	218,522
2019	537,305	178,898	611,281	191,801
2020	554,040	160,014	621,246	168,146
2021 - 2025	3,040,213	478,027	2,696,183	497,261
2026 - 2030	1,077,371	57,527	1,199,835	181,336
2031 - 2035	<u>-</u>	<u>-</u>	<u>814,806</u>	<u>49,621</u>
Total	<u>\$ 7,090,470</u>	<u>\$ 1,544,864</u>	<u>\$ 7,885,489</u>	<u>\$ 1,817,427</u>

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Detailed notes on all funds, continued**

**F. Long-term debt, continued**

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds payable	\$ 6,115,791	\$ -	\$ (505,507)	\$ 5,610,284	\$ 526,924
Tax Incremental Financial Bonds	1,469,998	-	(89,812)	1,380,186	93,180
Notes/loan payable	-	<u>200,000</u>	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Total long-term debt	<u>7,585,789</u>	<u>200,000</u>	<u>(695,319)</u>	<u>7,090,470</u>	<u>620,104</u>
Capital leases	<u>188,874</u>	-	<u>(35,440)</u>	<u>153,434</u>	<u>36,571</u>
Total noncurrent liabilities	<u>7,774,663</u>	<u>200,000</u>	<u>(730,759)</u>	<u>7,243,904</u>	<u>656,675</u>
Compensated absences	<u>115,724</u>	<u>114,205</u>	<u>(115,724)</u>	<u>114,205</u>	<u>114,205</u>
Governmental activities long-term liabilities	<u>\$ 7,890,387</u>	<u>\$ 314,205</u>	<u>\$ (846,483)</u>	<u>\$ 7,358,109</u>	<u>\$ 770,880</u>
Business-type activities:					
Loans payable	\$ 8,503,424	\$ -	\$ (617,934)	\$ 7,885,490	\$ 637,713
Landfill postclosure care (see note IV D)	<u>286,758</u>	<u>39,209</u>	<u>(11,650)</u>	<u>314,317</u>	<u>11,650</u>
Total noncurrent liabilities	<u>8,790,182</u>	<u>39,209</u>	<u>(629,584)</u>	<u>8,199,807</u>	<u>649,363</u>
Compensated absences	<u>93,978</u>	<u>106,150</u>	<u>(93,978)</u>	<u>106,150</u>	<u>106,150</u>
Business-type activities long-term liabilities	<u>\$ 8,884,160</u>	<u>\$ 145,359</u>	<u>\$ (723,562)</u>	<u>\$ 8,305,957</u>	<u>\$ 755,513</u>

## CITY OF WARRENTON, OREGON

### Notes to the Financial Statements

June 30, 2015

#### **Note III - Detailed notes on all funds, continued**

##### **G. Employee retirement plans**

The City is a participating employer in the Oregon Public Employees Retirement System ("OPERS"), a single cost-sharing multiple employer defined benefit retirement plans. Oregon PERS produces an independently audited CAFR which can be found at:

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

##### **Risk Pooling**

The City has elected to participate in the State and Local Government Rate Pool (SLGRP). Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contribution rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all of the pooled participants.

##### **Plan Benefits**

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature.

##### *1. Tier One/Tier Two Retirement Benefit (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.

###### *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.

## CITY OF WARRENTON, OREGON

### Notes to the Financial Statements

June 30, 2015

#### **Note III - Detailed notes on all funds, continued**

##### **G. Employee retirement plans, continued**

###### *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 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.

###### *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.



## CITY OF WARRENTON, OREGON

### Notes to the Financial Statements

June 30, 2015

#### **Note III - Detailed notes on all funds, continued**

#### **G. Employee retirement plans, continued**

##### *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.

#### **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.

##### *1. Member contributions*

Beginning January 1, 2004, all member contributions, except judge members, were placed in the OPSRP Individual Account Program. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 to 7.0 percent of salary and are remitted by participating employers, who may agree to make member contributions on the member's behalf. The contributions are either deducted from member salaries or paid by the employers. The City has elected to make payments on behalf of its employees, who pay 6.0% of their salary to the IAP.

##### *2. Employer contributions*

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates, based on a percentage of payroll, first became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivisions, including the City, have made lump sum payments to establish side accounts, and their rates have been reduced.

The City's contributions for the year ended June 30, 2015 were \$475,054. The rates in effect for the fiscal year ended June 30, 2015 were 14.63 percent for Tier One/Tier Two General Services, 9.93 percent for OPSRP Pension Program General Services, and 12.66 percent for OPSRP Police and Fire members.

A 10 year schedule of Defined Benefit Pension Plan Contributions can be found beginning on page 58 of the June 30, 2014 PERS CAFR.

#### **Pension Plan CAFR:**

Oregon PERS produces an independently audited CAFR which can be found at:

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

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Detailed notes on all funds, continued**

**G. Employee retirement plans, continued**

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

At June 30, 2015 the City's proportionate share of the net pension asset is \$689,904. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The City's proportion of the net pension asset 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, 2014, the City's proportion was 0.03043630 percent, which was unchanged from its proportion measured as of June 30, 2013.

At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,331,235
Changes in proportion and differences between City contributions and proportionate share of contributions	-	1,853
City contributions subsequent to the measurement date	<u>304,302</u>	<u>-</u>
Total	<u>\$ 304,302</u>	<u>\$ 1,333,088</u>

Deferred outflows of resources related to pensions of \$304,302 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	<u>Difference of Projected and Actual Investment Earnings</u>	<u>Change in Employer Proportion and Differences Between Employer Contributions and Proportionate Share of Contribution</u>	<u>Total</u>
2016	\$ 332,749	\$ 463	\$ 333,212
2017	332,749	463	333,212
2018	332,749	463	333,212
2019	332,749	463	333,212
2020	<u>239</u>	<u>1</u>	<u>240</u>
Total	<u>\$ 1,331,235</u>	<u>\$ 1,853</u>	<u>\$ 1,333,088</u>

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Detailed notes on all funds, continued**

**G. Employee retirement plans, continued**

**Actuarial Valuations:**

The employer contribution rates effective July 1, 2013, through June 30, 2015, 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.

**Actuarial Methods and Assumptions Used in Developing Total Pension Liability:**

Valuation Date	December 31, 2012, rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization based over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of Return	7.75 percent
Project Salary Increases	3.75 percent overall payroll growth
Mortality	Health retirees and beneficiaries: PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.  Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.  Disabled retirees: Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.

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 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Detailed notes on all funds, continued**

**G. Employee retirement plans, continued**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

**Assumed Asset Allocation**

<u>Asset Class/Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Cash	0.0 %	3.0 %	0.0 %
Debt Securities	15.0 %	25.0 %	20.0
Public Equity	32.5 %	42.5 %	37.5
Private Equity	16.0 %	24.0 %	20.0
Real Estate	9.5 %	15.5 %	12.5
Alternative Equity	0.0 %	10.0 %	10.0
Opportunity Portfolio	0.0 %	3.0 %	<u>0.0</u>
Total			<u>100.0 %</u>

**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 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	7.20 %	4.50 %
Short-Term Bonds	8.00 %	3.70 %
Intermediate-Term Bonds	3.00 %	4.10 %
High Yield Bonds	1.80 %	6.66 %
Large Cap US Equities	11.65 %	7.20 %
Mid Cap US Equities	3.88 %	7.30 %
Small Cap US Equities	2.27 %	7.45 %
Developed Foreign Equities	14.21 %	6.90 %
Emerging Foreign Equities	5.49 %	7.40 %
Private Equities	20.00 %	8.26 %
Opportunity Funds/Absolute Return	5.00 %	6.01 %
Real Estate (Property)	13.75 %	6.51 %
Real Estate (REITS)	2.50 %	6.76 %
Commodities	<u>1.25 %</u>	6.07 %
Total	<u>100.00 %</u>	
Assumed Inflation - Mean		2.75 %

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Detailed notes on all funds, continued**

**G. Employee retirement plans, continued**

**Sensitivity 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 7.75 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 1,460,968	\$ (689,903)	\$ (2,509,037)

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

The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, 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 is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision has not been fully determined. However, the change in benefit terms is estimated to change the City's proportionate share of the net pension (asset)/liability by \$1,496,465 as shown in the following table.

	<u>Prior to Moro</u>	<u>After Moro (Estimated)</u>	<u>Change</u>
Total pension liability	\$ 19,215,897	\$ 20,711,902	\$ (1,496,005)
Fiduciary net position	<u>(19,905,800)</u>	<u>(19,905,340)</u>	<u>(460)</u>
Net pension (asset)/liability	<u>\$ (689,903)</u>	<u>\$ 806,562</u>	<u>\$ (1,496,465)</u>

**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.

# CITY OF WARRENTON, OREGON

## Notes to the Financial Statements

June 30, 2015

### **Note IV - Other information, continued**

#### **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.

The City is a co-defendant along with the State of Oregon in an action asserting that an intergovernmental agreement between ODOT and the City that addressed the relocation of access points to Highway 101 constituted a "takings" under both the federal and state constitutions.

#### **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 for thirty years after closure.

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, 2015 the City's estimated liability changed as follows:

	<u>Landfill postclosure care liability</u>
Balance at June 30, 2014	\$ 286,758
Change in estimate	39,209
Maintenance costs paid in 2015	<u>(11,650)</u>
Balance at June 30, 2015	<u>\$ 314,317</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.

**CITY OF WARRENTON, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note IV - Other information, continued**

**E. Restatement of Net Position**

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended during the year ended June 30, 2015. In accordance with the implementation guidance of GASB No. 68, the statement was applied retroactively by restating the City's beginning net position. The City also reclassified the Storm Sewer System Development Charges fund from a capital projects type fund (governmental activities) to the Sewer enterprise. Restatements of beginning net position and fund balance are as follows:

<u>Opinion Unit</u>	<u>Beginning Fund Balance/Net Position</u>	<u>Deferred Outflows of Resources Related to Pensions</u>	<u>Net Pension Liability</u>	<u>Reclassify Storm Sewer System Development Charges Fund</u>	<u>Restated Fund Balance/Net Position</u>
Governmental Activities	\$ 6,164,689	\$ 171,925	\$ (958,097)	\$ (32,195)	\$ 5,346,322
Nonmajor Governmental Funds	1,947,883	-	-	(32,195)	1,915,688
Business-type Activities	27,172,311	106,813	(595,113)	32,195	26,716,206
Water Enterprise	12,481,135	40,863	(227,679)	-	12,294,319
Sewer Enterprise	11,875,478	34,954	(194,724)	32,195	11,747,903
Sanitation Enterprise	835,412	10,146	(56,532)	-	789,026
Nonmajor Enterprise Funds	1,980,286	20,850	(116,178)	-	1,884,958

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF WARRENTON**

Required Supplementary Information

June 30, 2015

**Schedule of the Proportionate Share of the Net Pension Liability**

Oregon Public Employees Retirement System

	<u>2015</u>	<u>2014</u>	<u>2013 and Prior</u>
Proportion of the net pension liability (asset)	0.03043630 %	0.03043630 %	N/A
Proportionate share of the net pension liability (asset)	\$ (689,904)	\$ 1,553,209	N/A
Covered payroll	\$ 2,744,201	\$ 2,594,589	N/A
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	(25.14)%	59.86 %	N/A
Plan net position as a percentage of the total pension liability	103.59 %	92.00 %	N/A

**Schedule of Pension Contributions**

Oregon Public Employees Retirement System

	<u>2015</u>	<u>2014</u>	<u>2013 and Prior</u>
Contractually required contribution	\$ 475,054	\$ 448,503	N/A
Contributions in relation to the contractually required contribution	<u>475,054</u>	<u>448,503</u>	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	N/A
Covered employee payroll	\$ 2,744,201	\$ 2,594,589	N/A
Contributions as a percentage of covered employee payroll	17.31 %	17.29 %	N/A

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**CITY OF WARRENTON, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Combining Balance Sheet  
June 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 644,323	\$ 1,103,170	\$ 910,986	\$ 2,658,479
Receivables:				
Taxes	4,130	108,211	-	112,341
Accounts	43,767	-	-	43,767
Grants	10,255	-	-	10,255
Total assets	<u>\$ 702,475</u>	<u>\$ 1,211,381</u>	<u>\$ 910,986</u>	<u>\$ 2,824,842</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and other current liabilities	\$ 68,592	\$ 1,333	\$ 17,177	\$ 87,102
Unearned revenues	480	-	-	480
Due to other funds	8,325	-	-	8,325
Total liabilities	77,397	1,333	17,177	95,907
Deferred Inflows of Resources:				
Unavailable revenues	3,148	82,520	-	85,668
Total liabilities & deferred inflows	<u>80,545</u>	<u>83,853</u>	<u>17,177</u>	<u>181,575</u>
Fund Balances:				
Restricted for:				
Debt service	-	1,127,528	-	1,127,528
Library and culture	28,378	-	-	28,378
Public works	176,653	-	-	176,653
Building inspection programs	250,885	-	-	250,885
Capital projects	-	-	512,951	512,951
Committed to:				
Library and culture	160,870	-	-	160,870
Grant expenditures	5,144	-	-	5,144
Assigned to:				
Capital projects	-	-	380,858	380,858
Total fund balances	<u>621,930</u>	<u>1,127,528</u>	<u>893,809</u>	<u>2,643,267</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 702,475</u>	<u>\$ 1,211,381</u>	<u>\$ 910,986</u>	<u>\$ 2,824,842</u>

**CITY OF WARRENTON, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 246,444	\$ 1,173,349	\$ -	\$ 1,419,793
Licenses and permits	329,870	-	-	329,870
Intergovernmental	12,325	-	-	12,325
Charges for services	12,489	-	-	12,489
Fines and forfeits	223	-	-	223
Investment earnings	1,892	7,184	1,737	10,813
Donations	63,218	-	-	63,218
Other revenues	2,161	-	-	2,161
Total revenues	<u>668,622</u>	<u>1,180,533</u>	<u>1,737</u>	<u>1,850,892</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	200,788	-	35,128	235,916
Police	12,323	-	-	12,323
Planning and development	198,851	-	-	198,851
Library and culture	111,400	-	751	112,151
Public works	16,774	-	-	16,774
<b>Debt service:</b>				
Principal retirement	-	695,319	-	695,319
Interest	-	269,305	-	269,305
Capital outlay	-	-	121,659	121,659
Total expenditures	<u>540,136</u>	<u>964,624</u>	<u>157,538</u>	<u>1,662,298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>128,486</u>	<u>215,909</u>	<u>(155,801)</u>	<u>188,594</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	108,533	108,533
Capital contributions	-	-	430,452	430,452
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>538,985</u>	<u>538,985</u>
Net change in fund balances	128,486	215,909	383,184	727,579
<b>Fund Balances:</b>				
Beginning of year, as restated	<u>493,444</u>	<u>911,619</u>	<u>510,625</u>	<u>1,915,688</u>
End of year	<u>\$ 621,930</u>	<u>\$ 1,127,528</u>	<u>\$ 893,809</u>	<u>\$ 2,643,267</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, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 Combining Balance Sheet  
 June 30, 2015

	<u>Community Center (005)</u>	<u>Warrenton Business Association (006)</u>	<u>Grant (015)</u>	<u>Library (020)</u>	<u>Building Department (021)</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,413	\$ 154,081	\$ 3,214	\$ 28,237	\$ 254,223
Receivables:					
Taxes	-	-	-	4,130	-
Accounts	-	-	-	-	-
Grants	-	-	10,255	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 9,413</u>	<u>\$ 154,081</u>	<u>\$ 13,469</u>	<u>\$ 32,367</u>	<u>\$ 254,223</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and other current liabilities	\$ 1,394	\$ 750	\$ -	\$ 841	\$ 3,338
Unearned revenues	480	-	-	-	-
Due to other funds	-	-	8,325	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	1,874	750	8,325	841	3,338
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	3,148	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities & deferred inflows	1,874	750	8,325	3,989	3,338
Fund Balances:					
Restricted for:					
Library and culture	-	-	-	28,378	-
Public works	-	-	-	-	-
Building inspection programs	-	-	-	-	250,885
Committed to:					
Library and culture	7,539	153,331	-	-	-
Grant expenditures	-	-	5,144	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	7,539	153,331	5,144	28,378	250,885
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,413</u>	<u>\$ 154,081</u>	<u>\$ 13,469</u>	<u>\$ 32,367</u>	<u>\$ 254,223</u>

Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenue Funds
\$ 9,021	\$ 186,134	\$ 644,323
-	-	4,130
43,767	-	43,767
<u>-</u>	<u>-</u>	<u>10,255</u>
<u>\$ 52,788</u>	<u>\$ 186,134</u>	<u>\$ 702,475</u>
\$ 52,788	\$ 9,481	\$ 68,592
-	-	480
<u>-</u>	<u>-</u>	<u>8,325</u>
52,788	9,481	77,397
<u>-</u>	<u>-</u>	<u>3,148</u>
<u>52,788</u>	<u>9,481</u>	<u>80,545</u>
-	-	28,378
-	176,653	176,653
-	-	250,885
-	-	160,870
-	-	5,144
<u>-</u>	<u>176,653</u>	<u>621,930</u>
<u>\$ 52,788</u>	<u>\$ 186,134</u>	<u>\$ 702,475</u>

**CITY OF WARRENTON, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2015

	Community Center (005)	Warrenton Business Association (006)	Grant (015)	Library (020)	Building Department (021)
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 45,658	\$ -
Licenses and permits	-	45,965	-	-	283,905
Intergovernmental	-	-	12,325	-	-
Charges for services	12,489	-	-	-	-
Fines and forfeits	-	-	-	223	-
Investment earnings	19	759	-	132	704
Donations	4,105	15	-	7,995	-
Other revenues	45	-	-	1,806	310
Total revenues	<u>16,658</u>	<u>46,739</u>	<u>12,325</u>	<u>55,814</u>	<u>284,919</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	-	-	2	-	-
Police	-	-	12,323	-	-
Planning and development	-	-	-	-	198,851
Library and culture	18,144	37,422	-	55,834	-
Public works	-	-	-	-	-
Total expenditures	<u>18,144</u>	<u>37,422</u>	<u>12,325</u>	<u>55,834</u>	<u>198,851</u>
Net change in fund balances	(1,486)	9,317	-	(20)	86,068
<b>Fund Balances:</b>					
Beginning of year	<u>9,025</u>	<u>144,014</u>	<u>5,144</u>	<u>28,398</u>	<u>164,817</u>
End of year	<u>\$ 7,539</u>	<u>\$ 153,331</u>	<u>\$ 5,144</u>	<u>\$ 28,378</u>	<u>\$ 250,885</u>



Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenue Funds
\$ 200,786	\$ -	\$ 246,444
-	-	329,870
-	-	12,325
-	-	12,489
-	-	223
-	278	1,892
-	51,103	63,218
-	-	2,161
<u>200,786</u>	<u>51,381</u>	<u>668,622</u>
200,786	-	200,788
-	-	12,323
-	-	198,851
-	-	111,400
-	16,774	16,774
<u>200,786</u>	<u>16,774</u>	<u>540,136</u>
-	34,607	128,486
-	142,046	493,444
<u>\$ -</u>	<u>\$ 176,653</u>	<u>\$ 621,930</u>

**CITY OF WARRENTON, OREGON**

COMMUNITY CENTER FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 12,115	\$ 12,115	\$ 12,489	\$ 374
Investment earnings	25	25	19	(6)
Donations	1,700	1,700	4,105	2,405
Other revenue	<u>-</u>	<u>-</u>	<u>45</u>	<u>45</u>
Total revenues	<u>13,840</u>	<u>13,840</u>	<u>16,658</u>	<u>2,818</u>
Expenditures:				
Personal services	7,900	7,900	5,827	2,073
Materials and services	13,892	13,892	12,317	1,575
Contingency	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>22,292</u>	<u>22,292</u>	<u>18,144</u>	<u>4,148</u>
Net change in fund balance	(8,452)	(8,452)	(1,486)	6,966
Fund Balance:				
Beginning of year	<u>8,500</u>	<u>8,500</u>	<u>9,025</u>	<u>525</u>
End of year	<u>\$ 48</u>	<u>\$ 48</u>	<u>\$ 7,539</u>	<u>\$ 7,491</u>

**CITY OF WARRENTON, OREGON**  
**WARRENTON BUSINESS ASSOCIATION**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Licenses and permits	\$ 45,600	\$ 45,600	\$ 45,965	\$ 365
Investment earnings	720	720	759	39
Donations	-	-	15	15
Total revenues	<u>46,320</u>	<u>46,320</u>	<u>46,739</u>	<u>419</u>
<b>Expenditures:</b>				
Personal services	7,702	7,702	6,430	1,272
Materials and services	98,565	98,565	25,997	72,568
Capital outlay	4,995	4,995	4,995	-
Contingency	10,000	10,000	-	10,000
Total expenditures	<u>121,262</u>	<u>121,262</u>	<u>37,422</u>	<u>83,840</u>
Net change in fund balance	(74,942)	(74,942)	9,317	84,259
<b>Fund Balance:</b>				
Beginning of year	<u>150,800</u>	<u>150,800</u>	<u>144,014</u>	<u>(6,786)</u>
End of year	<u>\$ 75,858</u>	<u>\$ 75,858</u>	<u>\$ 153,331</u>	<u>\$ 77,473</u>

**CITY OF WARRENTON, OREGON**

GRANTS FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 73,846	\$ 73,846	\$ 12,325	\$ (61,521)
Donations	300	300	-	(300)
Total revenues	<u>74,146</u>	<u>74,146</u>	<u>12,325</u>	<u>(61,821)</u>
Expenditures:				
Personal services	60,596	60,596	12,323	48,273
Materials and services	<u>15,659</u>	<u>15,659</u>	<u>2</u>	<u>15,657</u>
Total expenditures	<u>76,255</u>	<u>76,255</u>	<u>12,325</u>	<u>63,930</u>
Net change in fund balance	(2,109)	(2,109)	-	2,109
Fund Balance:				
Beginning of year	<u>5,144</u>	<u>5,144</u>	<u>5,144</u>	<u>-</u>
End of year	<u>\$ 3,035</u>	<u>\$ 3,035</u>	<u>\$ 5,144</u>	<u>\$ 2,109</u>

**CITY OF WARRENTON, OREGON**

LIBRARY FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 44,858	\$ 44,858	\$ 45,658	\$ 800
Fines and forfeits	275	275	223	(52)
Investment earnings	100	100	132	32
Donations	1,400	5,749	7,995	2,246
Other revenue	<u>1,075</u>	<u>1,075</u>	<u>1,806</u>	<u>731</u>
Total revenues	<u>47,708</u>	<u>52,057</u>	<u>55,814</u>	<u>3,757</u>
Expenditures:				
Personal services	33,673	34,023	33,311	712
Materials and services	18,347	22,696	22,523	173
Contingency	<u>17,358</u>	<u>17,008</u>	<u>-</u>	<u>17,008</u>
Total expenditures	<u>69,378</u>	<u>73,727</u>	<u>55,834</u>	<u>17,893</u>
Net change in fund balance	(21,670)	(21,670)	(20)	21,650
Fund Balance:				
Beginning of year	<u>27,900</u>	<u>27,900</u>	<u>28,398</u>	<u>498</u>
End of year	<u>\$ 6,230</u>	<u>\$ 6,230</u>	<u>\$ 28,378</u>	<u>\$ 22,148</u>

**CITY OF WARRENTON, OREGON**

**BUILDING DEPARTMENT FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Licenses and permits	\$ 111,835	\$ 111,835	\$ 283,905	\$ 172,070
Investment earnings	600	600	704	104
Other revenue	-	-	310	310
Total revenues	<u>112,435</u>	<u>112,435</u>	<u>284,919</u>	<u>172,484</u>
Expenditures:				
Personal services	177,544	177,544	175,503	2,041
Materials and services	32,151	32,151	23,348	8,803
Contingency	<u>41,951</u>	<u>41,951</u>	-	<u>41,951</u>
Total expenditures	<u>251,646</u>	<u>251,646</u>	<u>198,851</u>	<u>52,795</u>
Net change in fund balance	(139,211)	(139,211)	86,068	225,279
Fund Balance:				
Beginning of year	<u>163,000</u>	<u>163,000</u>	<u>164,817</u>	<u>1,817</u>
End of year	<u>\$ 23,789</u>	<u>\$ 23,789</u>	<u>\$ 250,885</u>	<u>\$ 227,096</u>

**CITY OF WARRENTON, OREGON**

**TRANSIENT ROOM TAX FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 184,000	\$ 184,000	\$ 200,786	\$ 16,786
Expenditures:				
Materials and services	<u>184,000</u>	<u>184,000</u>	<u>200,786</u>	<u>(16,786)</u>
Net change in fund balance	-	-	-	-
Fund Balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WARRENTON, OREGON**

**QUINCY ROBINSON PARK TRUST**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 500	\$ 500	\$ 278	\$ (222)
Donations	<u>50,000</u>	<u>50,000</u>	<u>51,103</u>	<u>1,103</u>
Total revenues	<u>50,500</u>	<u>50,500</u>	<u>51,381</u>	<u>881</u>
Expenditures:				
Capital outlay	98,250	98,250	16,774	81,476
Contingency	<u>19,650</u>	<u>19,650</u>	-	<u>19,650</u>
Total expenditures	<u>117,900</u>	<u>117,900</u>	<u>16,774</u>	<u>101,126</u>
Net change in fund balance	(67,400)	(67,400)	34,607	102,007
Fund Balance:				
Beginning of year	<u>108,673</u>	<u>108,673</u>	<u>142,046</u>	<u>33,373</u>
End of year	<u>\$ 41,273</u>	<u>\$ 41,273</u>	<u>\$ 176,653</u>	<u>\$ 135,380</u>



## **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.

**CITY OF WARRENTON, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
 Combining Balance Sheet  
 June 30, 2015

	Public Safety Building GO Bond (057)	Wastewater Treatment GO Bond Fund (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	\$ 28,045	\$ 104,337	\$ 806,788	\$ 164,000	\$ 1,103,170
Receivables:					
Taxes	<u>12,678</u>	<u>51,499</u>	<u>44,034</u>	<u>-</u>	<u>108,211</u>
 Total assets	 <u>\$ 40,723</u>	 <u>\$ 155,836</u>	 <u>\$ 850,822</u>	 <u>\$ 164,000</u>	 <u>\$ 1,211,381</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and other current liabilities	\$ -	\$ -	\$ 1,333	\$ -	\$ 1,333
Deferred Inflows of Resources:					
Unavailable revenues	<u>9,723</u>	<u>39,264</u>	<u>33,533</u>	<u>-</u>	<u>82,520</u>
 Total liabilities & deferred inflows	 <u>9,723</u>	 <u>39,264</u>	 <u>34,866</u>	 <u>-</u>	 <u>83,853</u>
Fund Balances:					
Restricted for:					
Debt service	<u>31,000</u>	<u>116,572</u>	<u>815,956</u>	<u>164,000</u>	<u>1,127,528</u>
Total fund balances	<u>31,000</u>	<u>116,572</u>	<u>815,956</u>	<u>164,000</u>	<u>1,127,528</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 40,723</u>	 <u>\$ 155,836</u>	 <u>\$ 850,822</u>	 <u>\$ 164,000</u>	 <u>\$ 1,211,381</u>

**CITY OF WARRENTON, OREGON**

NONMAJOR DEBT SERVICE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2015

	Public Safety Building GO Bond (057)	Wastewater Treatment GO Bond Fund (059)	Warrenton Urban Renewal Agency Debt Service (300)	Warrenton Urban Renewal Agency Debt Reserve (400)	Total Nonmajor Debt Service Funds
Revenues:					
Taxes	\$ 133,301	\$ 551,846	\$ 488,202	\$ -	\$ 1,173,349
Franchise fees	-	-	-	-	-
Investment earnings	546	1,599	5,039	-	7,184
Total revenues	<u>133,847</u>	<u>553,445</u>	<u>493,241</u>	<u>-</u>	<u>1,180,533</u>
Expenditures:					
Debt service:					
Principal retirement	120,000	385,507	189,812	-	695,319
Interest	19,250	193,370	56,685	-	269,305
Total expenditures	<u>139,250</u>	<u>578,877</u>	<u>246,497</u>	<u>-</u>	<u>964,624</u>
Net change in fund balances	(5,403)	(25,432)	246,744	-	215,909
Fund Balances:					
Beginning of year	36,403	142,004	569,212	164,000	911,619
End of year	<u>\$ 31,000</u>	<u>\$ 116,572</u>	<u>\$ 815,956</u>	<u>\$ 164,000</u>	<u>\$ 1,127,528</u>

**CITY OF WARRENTON, OREGON**  
**PUBLIC SAFETY BUILDING GO BOND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 128,015	\$ 128,015	\$ 133,301	\$ 5,286
Investment earnings	<u>300</u>	<u>300</u>	<u>546</u>	<u>246</u>
Total revenues	128,315	128,315	133,847	5,532
Expenditures:				
Debt service	<u>139,250</u>	<u>139,250</u>	<u>139,250</u>	<u>-</u>
Net change in fund balance	(10,935)	(10,935)	(5,403)	5,532
Fund Balance:				
Beginning of year	<u>22,075</u>	<u>22,075</u>	<u>36,403</u>	<u>14,328</u>
End of year	<u>\$ 11,140</u>	<u>\$ 11,140</u>	<u>\$ 31,000</u>	<u>\$ 19,860</u>

**CITY OF WARRENTON, OREGON**  
**WASTEWATER TREATMENT GO BOND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 538,037	\$ 538,037	\$ 551,846	\$ 13,809
Investment earnings	<u>900</u>	<u>900</u>	<u>1,599</u>	<u>699</u>
Total revenues	538,937	538,937	553,445	14,508
Expenditures:				
Debt service	<u>578,877</u>	<u>578,877</u>	<u>578,877</u>	<u>-</u>
Net change in fund balance	(39,940)	(39,940)	(25,432)	14,508
Fund Balance:				
Beginning of year	<u>86,250</u>	<u>86,250</u>	<u>142,004</u>	<u>55,754</u>
End of year	<u>\$ 46,310</u>	<u>\$ 46,310</u>	<u>\$ 116,572</u>	<u>\$ 70,262</u>

**CITY OF WARRENTON, OREGON**  
**WARRENTON URBAN RENEWAL AGENCY DEBT SERVICE**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 521,364	\$ 521,364	\$ 488,202	\$ (33,162)
Investment earnings	<u>4,135</u>	<u>4,135</u>	<u>5,039</u>	<u>904</u>
Total revenues	525,499	525,499	493,241	(32,258)
Expenditures:				
Debt service	<u>644,937</u>	<u>644,937</u>	<u>246,497</u>	<u>398,440</u>
Net change in fund balance	(119,438)	(119,438)	246,744	366,182
Fund Balance:				
Beginning of year	<u>549,885</u>	<u>549,885</u>	<u>569,212</u>	<u>19,327</u>
End of year	<u>\$ 430,447</u>	<u>\$ 430,447</u>	<u>\$ 815,956</u>	<u>\$ 385,509</u>

**CITY OF WARRENTON, OREGON**  
**WARRENTON URBAN RENEWAL AGENCY DEBT RESERVE**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Debt service	<u>\$ 164,000</u>	<u>\$ 164,000</u>	<u>\$ -</u>	<u>\$ 164,000</u>
Net change in fund balance	(164,000)	(164,000)	-	164,000
Fund Balance:				
Beginning of year	<u>164,000</u>	<u>164,000</u>	<u>164,000</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,000</u>	<u>\$ 164,000</u>

## **NONMAJOR CAPITAL PROJECT FUNDS**

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

***Park 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.

***Storm Sewer 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, OREGON**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
 Combining Balance Sheet  
 June 30, 2015

	Park System Development Charges (003)	Community Center Capital Reserve (004)	Facilities Maintenance (035)	Streets System Development Charges (041)	Police Vehicle Replacement (070)
<b>ASSETS</b>					
Cash and cash equivalents	\$ 28,562	\$ 2,186	\$ 69,877	\$ 484,389	\$ 2,392
Total assets	<u>\$ 28,562</u>	<u>\$ 2,186</u>	<u>\$ 69,877</u>	<u>\$ 484,389</u>	<u>\$ 2,392</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and other current liabilities	\$ -	\$ -	\$ 468	\$ -	\$ -
Fund Balances:					
Restricted for:					
Capital projects	28,562	-	-	484,389	-
Assigned to:					
Capital projects	<u>-</u>	<u>2,186</u>	<u>69,409</u>	<u>-</u>	<u>2,392</u>
Total fund balances	<u>28,562</u>	<u>2,186</u>	<u>69,409</u>	<u>484,389</u>	<u>2,392</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,562</u>	<u>\$ 2,186</u>	<u>\$ 69,877</u>	<u>\$ 484,389</u>	<u>\$ 2,392</u>

Fire Apparatus Replacement (071)	Tansy Point Dock Capital Reserve (072)	Total Nonmajor Capital Projects Funds
<u>\$ 249,205</u>	<u>\$ 74,375</u>	<u>\$ 910,986</u>
<u>\$ 249,205</u>	<u>\$ 74,375</u>	<u>\$ 910,986</u>
<u>\$ 16,709</u>	<u>\$ -</u>	<u>\$ 17,177</u>
-	-	512,951
<u>232,496</u>	<u>74,375</u>	<u>380,858</u>
<u>232,496</u>	<u>74,375</u>	<u>893,809</u>
<u>\$ 249,205</u>	<u>\$ 74,375</u>	<u>\$ 910,986</u>

**CITY OF WARRENTON, OREGON**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2015

	Park System Development Charges (003)	Community Center Capital Reserve (004)	Facilities Maintenance (035)	Streets System Development Charges (041)	Police Vehicle Replacement (070)
Revenues:					
Investment earnings	\$ 38	\$ -	\$ 273	\$ 221	\$ 28
Expenditures:					
Current:					
General government	-	-	35,128	-	-
Library and culture	-	751	-	-	-
Capital outlay	-	-	20,262	-	42,594
Total expenditures	-	751	55,390	-	42,594
Excess (deficiency) of revenues over (under) expenditures	38	(751)	(55,117)	221	(42,566)
Other Financing Sources (Uses):					
Transfers in	-	-	20,000	-	38,555
Capital contributions	15,500	-	-	414,952	-
Total other financing sources (uses)	15,500	-	20,000	414,952	38,555
Net change in fund balances	15,538	(751)	(35,117)	415,173	(4,011)
Fund Balances:					
Beginning of year	13,024	2,937	104,526	69,216	6,403
End of year	<u>\$ 28,562</u>	<u>\$ 2,186</u>	<u>\$ 69,409</u>	<u>\$ 484,389</u>	<u>\$ 2,392</u>

Fire Apparatus Replacement (071)	Tansy Point Dock Capital Reserve (072)	Total Nonmajor Capital Projects Funds
\$ 883	\$ 294	\$ 1,737
-	-	35,128
-	-	751
58,803	-	121,659
58,803	-	157,538
(57,920)	294	(155,801)
40,000	9,978	108,533
-	-	430,452
40,000	9,978	538,985
(17,920)	10,272	383,184
250,416	64,103	510,625
\$ 232,496	\$ 74,375	\$ 893,809

**CITY OF WARRENTON, OREGON**  
**PARKS SYSTEM DEVELOPMENT CHARGES FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ 38	\$ 38
System development charges	<u>10,000</u>	<u>10,000</u>	<u>15,500</u>	<u>5,500</u>
Total revenues	10,000	10,000	15,538	5,538
Expenditures:				
Capital outlay	<u>17,520</u>	<u>17,520</u>	<u>-</u>	<u>17,520</u>
Net change in fund balance	(7,520)	(7,520)	15,538	23,058
Fund Balance:				
Beginning of year	<u>7,520</u>	<u>7,520</u>	<u>13,024</u>	<u>5,504</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,562</u>	<u>\$ 28,562</u>

**CITY OF WARRENTON, OREGON**  
**COMMUNITY CENTER CAPITAL RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Materials and services	<u>\$ 3,591</u>	<u>\$ 3,591</u>	<u>\$ 751</u>	<u>\$ 2,840</u>
Net change in fund balance	(3,591)	(3,591)	(751)	(2,840)
Fund Balance:				
Beginning of year	<u>3,591</u>	<u>3,591</u>	<u>2,937</u>	<u>654</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,186</u>	<u>\$ 2,186</u>

**CITY OF WARRENTON, OREGON**

FACILITIES MAINTENANCE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 300	\$ 300	\$ 273	\$ (27)
Expenditures:				
Materials and services	81,300	81,300	35,128	46,172
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>20,262</u>	<u>29,738</u>
Total expenditures	<u>131,300</u>	<u>131,300</u>	<u>55,390</u>	<u>75,910</u>
Excess (deficiency) of revenues over (under) expenditures	(131,000)	(131,000)	(55,117)	75,883
Other financing sources (uses):				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	(111,000)	(111,000)	(35,117)	75,883
Fund Balance:				
Beginning of year	<u>111,000</u>	<u>111,000</u>	<u>104,526</u>	<u>(6,474)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,409</u>	<u>\$ 69,409</u>

**CITY OF WARRENTON, OREGON**  
**STREETS SYSTEM DEVELOPMENT CHARGES FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ 221	\$ 221
System development charges	<u>20,000</u>	<u>20,000</u>	<u>414,952</u>	<u>394,952</u>
Total revenues	20,000	20,000	415,173	395,173
Expenditures:				
Capital outlay	<u>71,698</u>	<u>71,698</u>	<u>-</u>	<u>71,698</u>
Net change in fund balance	(51,698)	(51,698)	415,173	466,871
Fund Balance:				
Beginning of year	<u>51,698</u>	<u>51,698</u>	<u>69,216</u>	<u>17,518</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484,389</u>	<u>\$ 484,389</u>



**CITY OF WARRENTON, OREGON**  
**POLICE VEHICLE REPLACEMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 50	\$ 50	\$ 28	\$ (22)
Expenditures:				
Capital outlay	<u>45,000</u>	<u>45,000</u>	<u>42,594</u>	<u>2,406</u>
Excess (deficiency) of revenues over (under) expenditures	(44,950)	(44,950)	(42,566)	2,384
Other financing sources (uses):				
Transfers in	<u>38,555</u>	<u>38,555</u>	<u>38,555</u>	<u>-</u>
Net change in fund balance	(6,395)	(6,395)	(4,011)	2,384
Fund Balance:				
Beginning of year	<u>6,395</u>	<u>6,395</u>	<u>6,403</u>	<u>8</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,392</u>	<u>\$ 2,392</u>

**CITY OF WARRENTON, OREGON**  
**FIRE APPARATUS REPLACEMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 850	\$ 850	\$ 883	\$ 33
Expenditures:				
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>58,803</u>	<u>1,197</u>
Excess (deficiency) of revenues over (under) expenditures	(59,150)	(59,150)	(57,920)	1,230
Other financing sources (uses):				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balances	(19,150)	(19,150)	(17,920)	1,230
Fund Balance:				
Beginning of year	<u>250,083</u>	<u>250,083</u>	<u>250,416</u>	<u>333</u>
End of year	<u>\$ 230,933</u>	<u>\$ 230,933</u>	<u>\$ 232,496</u>	<u>\$ 1,563</u>

**CITY OF WARRENTON, OREGON**  
**TANSY POINT DOCK CAPITAL RESERVE**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 300	\$ 300	\$ 294	\$ (6)
Expenditures:				
Capital outlay	<u>74,275</u>	<u>74,275</u>	<u>-</u>	<u>74,275</u>
Excess (deficiency) of revenues over (under) expenditures	(73,975)	(73,975)	294	74,269
Other financing sources (uses):				
Transfers in	<u>9,978</u>	<u>9,978</u>	<u>9,978</u>	<u>-</u>
Net change in fund balances	(63,997)	(63,997)	10,272	74,269
Fund Balance:				
Beginning of year	<u>63,997</u>	<u>63,997</u>	<u>64,103</u>	<u>106</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,375</u>	<u>\$ 74,375</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 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.

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

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

***Sanitation Fund 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.

**CITY OF WARRENTON, OREGON**  
**WATER ENTERPRISE**  
Combining Statement of Net Position  
June 30, 2015

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 596,330	\$ 112,035	\$ 1,175,941	\$ 1,884,306
Utility receivables	211,481	-	-	211,481
Other receivables	1,300	1,100	-	2,400
Inventory, at cost	197,118	-	-	197,118
Prepaid expenses	6,735	-	-	6,735
Total current assets	<u>1,012,964</u>	<u>113,135</u>	<u>1,175,941</u>	<u>2,302,040</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	316,474	-	-	316,474
Depreciable assets, net	16,802,350	-	-	16,802,350
Net pension asset	101,128	-	-	101,128
Total noncurrent assets	<u>17,219,952</u>	<u>-</u>	<u>-</u>	<u>17,219,952</u>
Total assets	18,232,916	113,135	1,175,941	19,521,992
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions	44,606	-	-	44,606
Total assets & deferred outflows	<u>18,277,522</u>	<u>113,135</u>	<u>1,175,941</u>	<u>19,566,598</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and other current liabilities	80,780	-	67,234	148,014
Accrued interest payable	130,052	-	-	130,052
Compensated absences	37,432	-	-	37,432
Loans payable - current	507,063	-	-	507,063
Total current liabilities	<u>755,327</u>	<u>-</u>	<u>67,234</u>	<u>822,561</u>
Noncurrent liabilities:				
Loans payable	6,272,272	-	-	6,272,272
Total liabilities	7,027,599	-	67,234	7,094,833
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pensions	195,408	-	-	195,408
Total liabilities & deferred inflows	<u>7,223,007</u>	<u>-</u>	<u>67,234</u>	<u>7,290,241</u>
<b>NET POSITION</b>				
Net investment in capital assets	10,339,489	-	-	10,339,489
Restricted for system development	-	113,135	-	113,135
Unrestricted	715,026	-	1,108,707	1,823,733
Total net position	<u>\$ 11,054,515</u>	<u>\$ 113,135</u>	<u>\$ 1,108,707</u>	<u>\$ 12,276,357</u>

**CITY OF WARRENTON, OREGON**  
**WATER ENTERPRISE**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2015

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
<b>Operating Revenues:</b>				
Charges for services	\$ 2,217,358	\$ -	\$ -	\$ 2,217,358
Other operating revenues	11,419	-	-	11,419
Total operating revenues	<u>2,228,777</u>	<u>-</u>	<u>-</u>	<u>2,228,777</u>
<b>Operating Expenses:</b>				
Payroll and payroll benefits	620,629	-	-	620,629
Contracted services	76,394	-	-	76,394
Utilities and telephone	90,194	-	-	90,194
Repairs and maintenance	376,464	-	-	376,464
Other operating expenses	148,869	-	-	148,869
Overhead cost allocation	103,023	-	-	103,023
Depreciation	726,764	-	-	726,764
Total operating expenses	<u>2,142,337</u>	<u>-</u>	<u>-</u>	<u>2,142,337</u>
Operating income (loss)	<u>86,440</u>	<u>-</u>	<u>-</u>	<u>86,440</u>
<b>Nonoperating Revenues (Expenses):</b>				
Investment earnings	5,593	205	-	5,798
Debt service - interest expense	(231,880)	-	-	(231,880)
Insurance proceeds	-	-	35,000	35,000
Total nonoperating revenues (expenses)	<u>(226,287)</u>	<u>205</u>	<u>35,000</u>	<u>(191,082)</u>
Income (loss) before contributions	(139,847)	205	35,000	(104,642)
Capital contribution	-	86,680	-	86,680
Capital transfers, net	179,365	-	(179,365)	-
Debt transfers, net	80,000	(80,000)	-	-
Transfers within enterprise, net	<u>(427,486)</u>	<u>-</u>	<u>427,486</u>	<u>-</u>
Change in net position	(307,968)	6,885	283,121	(17,962)
<b>Net Position:</b>				
Beginning of year	11,362,483	106,250	825,586	12,294,319
End of year	<u>\$ 11,054,515</u>	<u>\$ 113,135</u>	<u>\$ 1,108,707</u>	<u>\$ 12,276,357</u>

**CITY OF WARRENTON, OREGON**

WATER ENTERPRISE

Combining Statement of Cash Flows

For the Year Ended June 30, 2015

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 2,205,506	\$ -	\$ -	\$ 2,205,506
Payments to suppliers and contractors	(636,398)	-	-	(636,398)
Payments to employees	(615,422)	-	-	(615,422)
Payments for interfund services	(243,528)	-	-	(243,528)
Net cash provided by (used in) operating activities	<u>710,158</u>	<u>-</u>	<u>-</u>	<u>710,158</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers within enterprise, net	(427,486)	-	427,486	-
Net cash provided by (used in) noncapital financing activities	<u>(427,486)</u>	<u>-</u>	<u>427,486</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	-	85,580	-	85,580
Acquisition and construction of capital assets	-	-	(96,103)	(96,103)
Principal paid on debt	(410,847)	(80,000)	-	(490,847)
Interest paid on debt	(242,820)	-	-	(242,820)
Net cash used in capital and related financing activities	<u>(653,667)</u>	<u>5,580</u>	<u>(96,103)</u>	<u>(744,190)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	5,593	205	-	5,798
Net change in cash and cash equivalents	(365,402)	5,785	331,383	(28,234)
Cash and cash equivalents:				
Beginning of year	<u>961,732</u>	<u>106,250</u>	<u>844,558</u>	<u>1,912,540</u>
End of year	<u>\$ 596,330</u>	<u>\$ 112,035</u>	<u>\$ 1,175,941</u>	<u>\$ 1,884,306</u>

Continued on next page

**CITY OF WARRENTON, OREGON**  
**WATER ENTERPRISE**  
Combining Statement of Cash Flows, Continued  
For the Year Ended June 30, 2015

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 86,440	\$ -	\$ -	\$ 86,440
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	726,764	-	-	726,764
Net reduction of expense under GASB 68	(137,142)	-	-	(137,142)
(Increase) decrease in assets:				
Receivables	(23,271)	-	-	(23,271)
Inventory	23,688	-	-	23,688
Prepaid expenses	4,025	-	-	4,025
Increase (decrease) in liabilities:				
Accounts payable and other accrued expenses	27,810	-	-	27,810
Compensated absences	1,844	-	-	1,844
Net cash provided by (used in) operating activities	<u>\$ 710,158</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 710,158</u>

**Schedule of noncash transactions:**

Insurance proceeds used to purchase capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>
Bond proceeds used to pay debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital assets transferred between funds	<u>\$ 179,365</u>	<u>\$ -</u>	<u>\$ (179,365)</u>	<u>\$ -</u>
Debt principal payments transferred between funds	<u>\$ 80,000</u>	<u>\$ (80,000)</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF WARRENTON, OREGON**  
**SEWER ENTERPRISE**  
Combining Statement of Net Position  
June 30, 2015

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development (051)	Total Sewer Enterprise
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 798,352	\$ 120,968	\$ 607,607	\$ 192,060	\$ 75,052	\$ 1,794,039
Utility receivables	223,664	-	-	19,215	-	242,879
Accounts receivable	-	-	-	9,807	-	9,807
Inventory, at cost	99,322	-	-	5,514	-	104,836
Prepaid expenses	620	-	-	62	-	682
Total current assets	<u>1,121,958</u>	<u>120,968</u>	<u>607,607</u>	<u>226,658</u>	<u>75,052</u>	<u>2,152,243</u>
Noncurrent assets:						
Restricted cash - loan reserve	52,214	-	-	-	-	52,214
Capital assets:						
Nondepreciable assets	213,084	-	-	18,293	-	231,377
Depreciable assets, net	10,256,316	-	-	586,758	-	10,843,074
Net pension asset	76,241	-	-	10,246	-	86,487
Total noncurrent assets	<u>10,597,855</u>	<u>-</u>	<u>-</u>	<u>615,297</u>	<u>-</u>	<u>11,213,152</u>
Total assets	11,719,813	120,968	607,607	841,955	75,052	13,365,395
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions	<u>33,628</u>	<u>-</u>	<u>-</u>	<u>4,519</u>	<u>-</u>	<u>38,147</u>
Total assets and deferred outflows of resources	<u>11,753,441</u>	<u>120,968</u>	<u>607,607</u>	<u>846,474</u>	<u>75,052</u>	<u>13,403,542</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable and other current liabilities	68,068	-	70,572	99,440	-	238,080
Accrued interest payable	13,836	-	-	-	-	13,836
Compensated absences	35,116	-	-	4,878	-	39,994
Loans payable - current	<u>130,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,650</u>
Total current liabilities	247,670	-	70,572	104,318	-	422,560
Noncurrent liabilities:						
Loans payable	<u>975,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>975,505</u>
Total liabilities	1,223,175	-	70,572	104,318	-	1,398,065
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to pensions	<u>147,319</u>	<u>-</u>	<u>-</u>	<u>19,799</u>	<u>-</u>	<u>167,118</u>
Total liabilities and deferred inflows of resources	<u>1,370,494</u>	<u>-</u>	<u>70,572</u>	<u>124,117</u>	<u>-</u>	<u>1,565,183</u>
<b>NET POSITION</b>						
Net investment in capital assets	9,363,245	-	-	605,051	-	9,968,296
Restricted for system development	-	120,968	-	-	75,052	196,020
Unrestricted	<u>1,019,702</u>	<u>-</u>	<u>537,035</u>	<u>117,306</u>	<u>-</u>	<u>1,674,043</u>
Total net position	<u>\$ 10,382,947</u>	<u>\$ 120,968</u>	<u>\$ 537,035</u>	<u>\$ 722,357</u>	<u>\$ 75,052</u>	<u>\$ 11,838,359</u>

**CITY OF WARRENTON, OREGON**

**SEWER ENTERPRISE**

Combining Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2015

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development (051)	Total Sewer Enterprise
<b>Operating Revenues:</b>						
Charges for services	\$ 2,023,040	\$ -	\$ -	\$ 173,390	\$ -	\$ 2,196,430
Other operating revenues	4,476	-	-	14,995	-	19,471
Total operating revenues	<u>2,027,516</u>	<u>-</u>	<u>-</u>	<u>188,385</u>	<u>-</u>	<u>2,215,901</u>
<b>Operating Expenses:</b>						
Payroll and payroll benefits	668,699	-	-	78,071	-	746,770
Contracted services	58,539	-	-	63,532	-	122,071
Utilities and telephone	151,768	-	-	6,506	-	158,274
Repairs and maintenance	176,191	-	-	91,768	-	267,959
Other operating expenses	136,170	-	-	5,578	-	141,748
Overhead cost allocation	103,461	-	-	17,944	-	121,405
Depreciation	588,059	-	-	47,906	-	635,965
Total operating expenses	<u>1,882,887</u>	<u>-</u>	<u>-</u>	<u>311,305</u>	<u>-</u>	<u>2,194,192</u>
Operating income (loss)	<u>144,629</u>	<u>-</u>	<u>-</u>	<u>(122,920)</u>	<u>-</u>	<u>21,709</u>
<b>Nonoperating Revenues (Expenses):</b>						
Investment earnings	3,647	407	-	1,280	104	5,438
Debt service - interest expense	(21,490)	(25,680)	-	-	-	(47,170)
Gain/(loss) on disposition of capital assets	(739)	-	-	(300)	-	(1,039)
Total nonoperating revenues (expenses)	<u>(18,582)</u>	<u>(25,273)</u>	<u>-</u>	<u>980</u>	<u>104</u>	<u>(42,771)</u>
Income (loss) before contributions	126,047	(25,273)	-	(121,940)	104	(21,062)
Capital contribution	-	68,765	-	-	42,753	111,518
Capital transfers, net	587,461	-	(587,461)	-	-	-
Debt transfers, net	74,320	(74,320)	-	-	-	-
Transfers within enterprise, net	(555,402)	-	555,402	-	-	-
Change in net position	232,426	(30,828)	(32,059)	(121,940)	42,857	90,456
<b>Net Position:</b>						
Beginning of year	<u>10,150,521</u>	<u>151,796</u>	<u>569,094</u>	<u>844,297</u>	<u>32,195</u>	<u>11,747,903</u>
End of year	<u>\$ 10,382,947</u>	<u>\$ 120,968</u>	<u>\$ 537,035</u>	<u>\$ 722,357</u>	<u>\$ 75,052</u>	<u>\$ 11,838,359</u>

**CITY OF WARRENTON, OREGON**  
**SEWER ENTERPRISE**  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2015

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development (051)	Total Sewer Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 2,032,792	\$ -	\$ -	\$ 178,080	\$ -	\$ 2,210,872
Payments to suppliers and contractors	(486,512)	-	-	(89,484)	-	(575,996)
Payments to employees	(620,871)	-	-	(67,229)	-	(688,100)
Payments for interfund services	(244,564)	-	-	(42,416)	-	(286,980)
Net cash provided by (used in) operating activities	<u>680,845</u>	<u>-</u>	<u>-</u>	<u>(21,049)</u>	<u>-</u>	<u>659,796</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers within enterprise, net	(555,402)	-	555,402	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(555,402)</u>	<u>-</u>	<u>555,402</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital contributions	-	68,765	-	-	42,753	111,518
Acquisition and construction of capital assets	-	-	(533,852)	(89,177)	-	(623,029)
Principal paid on debt	(52,767)	(74,320)	-	-	-	(127,087)
Interest paid on debt	(23,463)	(25,680)	-	-	-	(49,143)
Net cash used in capital and related financing activities	<u>(76,230)</u>	<u>(31,235)</u>	<u>(533,852)</u>	<u>(89,177)</u>	<u>42,753</u>	<u>(687,741)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends received	3,647	407	-	1,280	104	5,438
Net change in cash and cash equivalents	52,860	(30,828)	21,550	(108,946)	42,857	(22,507)
Cash and cash equivalents:						
Beginning of year	797,706	151,796	586,057	301,006	32,195	1,868,760
End of year	<u>\$ 850,566</u>	<u>\$ 120,968</u>	<u>\$ 607,607</u>	<u>\$ 192,060</u>	<u>\$ 75,052</u>	<u>\$ 1,846,253</u>

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

Cash and cash equivalents	\$ 798,352	\$ 120,968	\$ 607,607	\$ 192,060	\$ 75,052	\$ 1,794,039
Restricted cash - loan reserve	52,214	-	-	-	-	52,214
	<u>\$ 850,566</u>	<u>\$ 120,968</u>	<u>\$ 607,607</u>	<u>\$ 192,060</u>	<u>\$ 75,052</u>	<u>\$ 1,846,253</u>

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**CITY OF WARRENTON, OREGON**  
**SEWER ENTERPRISE**  
Combining Statement of Cash Flows, Continued  
For the Year Ended June 30, 2015

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development (051)	Total Sewer Enterprise
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 144,629	\$ -	\$ -	\$ (122,920)	\$ -	\$ 21,709
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	588,059	-	-	47,906	-	635,965
Net reduction of expense under GASB 68	(103,392)	-	-	(13,894)	-	(117,286)
(Increase) decrease in assets:						
Receivables	5,276	-	-	(10,305)	-	(5,029)
Inventory	(3,816)	-	-	591	-	(3,225)
Prepaid expenses	(11)	-	-	(1)	-	(12)
Increase (decrease) in liabilities:						
Accounts payable and other accrued expenses	39,983	-	-	77,310	-	117,293
Compensated absences	10,117	-	-	264	-	10,381
Net cash provided by (used in) operating activities	\$ 680,845	\$ -	\$ -	\$ (21,049)	\$ -	\$ 659,796
 <b>Schedule of noncash transactions:</b>						
Capital assets transferred between funds	\$ 587,461	\$ -	\$ (587,461)	\$ -	\$ -	\$ -
Debt principal payments transferred between funds	\$ 74,320	\$ (74,320)	\$ -	\$ -	\$ -	\$ -

**CITY OF WARRENTON, OREGON**  
**SANITATION ENTERPRISE**  
Combining Statement of Net Position  
June 30, 2015

	<u>Operating (032)</u>	<u>Capital Reserve (034)</u>	<u>Total Sanitation Enterprise</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 261,707	\$ 508,384	\$ 770,091
Utility receivables	102,554	-	102,554
Inventory, at cost	17,787	-	17,787
Prepaid expenses	347	-	347
Total current assets	<u>382,395</u>	<u>508,384</u>	<u>890,779</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable assets	29,669	-	29,669
Depreciable assets, net	291,142	-	291,142
Net pension asset	25,110	-	25,110
Total noncurrent assets	<u>345,921</u>	<u>-</u>	<u>345,921</u>
Total assets	728,316	508,384	1,236,700
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>11,076</u>	<u>-</u>	<u>11,076</u>
Total assets & deferred outflows	<u>739,392</u>	<u>508,384</u>	<u>1,247,776</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other current liabilities	51,773	-	51,773
Compensated absences	6,571	-	6,571
Landfill postclosure care - current	11,650	-	11,650
Total current liabilities	69,994	-	69,994
Noncurrent liabilities:			
Landfill postclosure care liability	<u>302,667</u>	<u>-</u>	<u>302,667</u>
Total liabilities	372,661	-	372,661
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>48,520</u>	<u>-</u>	<u>48,520</u>
Total liabilities & deferred inflows	<u>421,181</u>	<u>-</u>	<u>421,181</u>
<b>NET POSITION</b>			
Net investment in capital assets	320,811	-	320,811
Unrestricted	<u>(2,600)</u>	<u>508,384</u>	<u>505,784</u>
Total net position	<u>\$ 318,211</u>	<u>\$ 508,384</u>	<u>\$ 826,595</u>

**CITY OF WARRENTON, OREGON**  
**SANITATION ENTERPRISE**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2015

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
Operating Revenues:			
Charges for services	\$ 997,444	\$ -	\$ 997,444
Other operating revenues	<u>2,545</u>	<u>-</u>	<u>2,545</u>
Total operating revenues	<u>999,989</u>	<u>-</u>	<u>999,989</u>
Operating Expenses:			
Payroll and payroll benefits	179,592	-	179,592
Contracted services	532,475	-	532,475
Utilities and telephone	5,395	-	5,395
Repairs and maintenance	52,231	-	52,231
Other operating expenses	97,091	-	97,091
Overhead cost allocation	31,868	-	31,868
Depreciation	<u>65,591</u>	<u>-</u>	<u>65,591</u>
Total operating expenses	<u>964,243</u>	<u>-</u>	<u>964,243</u>
Operating income (loss)	35,746	-	35,746
Nonoperating Revenues (Expenses):			
Investment earnings	<u>1,823</u>	<u>-</u>	<u>1,823</u>
Income (loss) before contributions	37,569	-	37,569
Capital transfers, net	4,550	(4,550)	-
Transfers within enterprise, net	(97,739)	97,739	-
Change in estimate	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(55,620)	93,189	37,569
Net Position:			
Beginning of year	<u>373,831</u>	<u>415,195</u>	<u>789,026</u>
End of year	<u>\$ 318,211</u>	<u>\$ 508,384</u>	<u>\$ 826,595</u>

**CITY OF WARRENTON, OREGON**  
**SANITATION ENTERPRISE**  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2015

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 998,644	\$ -	\$ 998,644
Payments to suppliers and contractors	(669,930)	-	(669,930)
Payments to employees	(169,483)	-	(169,483)
Payments for interfund services	(75,330)	-	(75,330)
Net cash provided by (used in) operating activities	<u>83,901</u>	<u>-</u>	<u>83,901</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers within enterprise, net	<u>(97,739)</u>	<u>97,739</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(97,739)</u>	<u>97,739</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	<u>-</u>	<u>(4,550)</u>	<u>(4,550)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>(4,550)</u>	<u>(4,550)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	<u>1,823</u>	<u>-</u>	<u>1,823</u>
Net change in cash and cash equivalents	(12,015)	93,189	81,174
Cash and cash equivalents:			
Beginning of year	<u>273,722</u>	<u>415,195</u>	<u>688,917</u>
End of year	<u>\$ 261,707</u>	<u>\$ 508,384</u>	<u>\$ 770,091</u>

Continued on next page

**CITY OF WARRENTON, OREGON**  
**SANITATION ENTERPRISE**  
Combining Statement of Cash Flows, Continued  
For the Year Ended June 30, 2015

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 35,746	\$ -	\$ 35,746
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	65,591	-	65,591
Net reduction of expense under GASB 68	(34,052)	-	(34,052)
(Increase) decrease in assets:			
Receivables	(1,345)	-	(1,345)
Inventory	8,720	-	8,720
Prepaid expenses	(6)	-	(6)
Increase (decrease) in liabilities:			
Accounts payable and other accrued expenses	(19,011)	-	(19,011)
Compensated absences	699	-	699
Landfill postclosure care liability	<u>27,559</u>	<u>-</u>	<u>27,559</u>
Net cash provided by (used in) operating activities	<u>\$ 83,901</u>	<u>\$ -</u>	<u>\$ 83,901</u>
 <b>Schedule of noncash transactions:</b>			
Capital assets transferred between funds	<u>\$ 4,550</u>	<u>\$ (4,550)</u>	<u>\$ -</u>



**CITY OF WARRENTON, OREGON**  
NONMAJOR ENTERPRISE FUNDS  
Combining Statement of Net Position  
June 30, 2015

	Warrenton Marina (010)	Warrenton Marina Capital Reservie (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 93,783	\$ 144,477	\$ 166,482	\$ 334,687	\$ 739,429
Accounts receivable	26,353	-	1,931	-	28,284
Intergovernmental receivables	-	-	-	31,989	31,989
Grants receivable	-	-	9,375	-	9,375
Total current assets	<u>120,136</u>	<u>144,477</u>	<u>177,788</u>	<u>366,676</u>	<u>809,077</u>
Noncurrent assets:					
Capital assets:					
Nondepreciable assets	36,953	-	67,245	-	104,198
Depreciable assets, net	461,944	-	748,588	-	1,210,532
Net pension asset	31,729	-	19,874	-	51,603
Total noncurrent assets	<u>530,626</u>	<u>-</u>	<u>835,707</u>	<u>-</u>	<u>1,366,333</u>
Total assets	650,762	144,477	1,013,495	366,676	2,175,410
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pensions	<u>13,995</u>	<u>-</u>	<u>8,766</u>	<u>-</u>	<u>22,761</u>
Total assets & deferred outflows	<u>664,757</u>	<u>144,477</u>	<u>1,022,261</u>	<u>366,676</u>	<u>2,198,171</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and other current liabilities	15,035	-	13,211	931	29,177
Compensated absences	15,132	-	7,021	-	22,153
Unearned revenue	<u>389</u>	<u>-</u>	<u>2,498</u>	<u>-</u>	<u>2,887</u>
Total liabilities	30,556	-	22,730	931	54,217
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to pensions	<u>61,310</u>	<u>-</u>	<u>38,402</u>	<u>-</u>	<u>99,712</u>
Total liabilities & deferred inflows	<u>91,866</u>	<u>-</u>	<u>61,132</u>	<u>931</u>	<u>153,929</u>
<b>NET POSITION</b>					
Net investment in capital assets	498,897	-	815,833	-	1,314,730
Unrestricted	<u>73,994</u>	<u>144,477</u>	<u>145,296</u>	<u>365,745</u>	<u>729,512</u>
Total net position	<u>\$ 572,891</u>	<u>\$ 144,477</u>	<u>\$ 961,129</u>	<u>\$ 365,745</u>	<u>\$ 2,044,242</u>

**CITY OF WARRENTON, OREGON**  
**NONMAJOR ENTERPRISE FUNDS**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2015

	Warrenton Marina (010)	Warrenton Marina Capital Reservie (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
<b>Operating Revenues:</b>					
Charges for services	\$ 450,181	\$ -	\$ 235,063	\$ -	\$ 685,244
Lease receipts	27,614	-	12,981	-	40,595
Other operating revenues	7,827	-	5,709	-	13,536
Total operating revenues	<u>485,622</u>	<u>-</u>	<u>253,753</u>	<u>-</u>	<u>739,375</u>
<b>Operating Expenses:</b>					
Payroll and payroll benefits	219,163	-	99,017	-	318,180
Contracted services	3,931	-	7,908	-	11,839
Utilities and telephone	86,567	-	41,599	-	128,166
Repairs and maintenance	28,066	-	15,081	-	43,147
Other operating expenses	22,111	-	24,463	-	46,574
Overhead cost allocation	21,599	-	10,014	-	31,613
Depreciation	57,095	-	55,601	-	112,696
Total operating expenses	<u>438,532</u>	<u>-</u>	<u>253,683</u>	<u>-</u>	<u>692,215</u>
Operating income (loss)	<u>47,090</u>	<u>-</u>	<u>70</u>	<u>-</u>	<u>47,160</u>
<b>Nonoperating Revenues (Expenses):</b>					
Investment earnings	3,200	-	1,498	-	4,698
Taxes	-	-	-	121,673	121,673
Intergovernmental	3,225	-	10,975	-	14,200
Gain/(loss) on disposition of capital assets	-	-	(28,447)	-	(28,447)
Total nonoperating revenues (expenses)	<u>6,425</u>	<u>-</u>	<u>(15,974)</u>	<u>121,673</u>	<u>112,124</u>
Income (loss) before contributions	53,515	-	(15,904)	121,673	159,284
Capital transfers, net	-	-	64,310	(64,310)	-
Change in net position	53,515	-	48,406	57,363	159,284
<b>Net Position:</b>					
Beginning of year	<u>519,376</u>	<u>144,477</u>	<u>912,723</u>	<u>308,382</u>	<u>1,884,958</u>
End of year	<u>\$ 572,891</u>	<u>\$ 144,477</u>	<u>\$ 961,129</u>	<u>\$ 365,745</u>	<u>\$ 2,044,242</u>

**CITY OF WARRENTON, OREGON**  
**NONMAJOR ENTERPRISE FUNDS**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2015**

	Warrenton Warrenton Marina (010)	Warrenton Marina Capital Reservie (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 403,212	\$ -	\$ 214,209	\$ -	\$ 617,421
Payments to suppliers and contractors	(138,661)	-	(84,524)	-	(223,185)
Payments to employees	(231,744)	-	(114,053)	-	(345,797)
Payments for interfund services	(51,056)	-	(23,671)	-	(74,727)
Net cash provided by (used in) operating activities	<u>(18,249)</u>	<u>-</u>	<u>(8,039)</u>	<u>-</u>	<u>(26,288)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental operating grants received	3,225	-	1,600	-	4,825
Taxes collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,266</u>	<u>117,266</u>
Net cash provided by (used in) noncapital financing activities	<u>3,225</u>	<u>-</u>	<u>1,600</u>	<u>117,266</u>	<u>122,091</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,379)</u>	<u>(63,379)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,379)</u>	<u>(63,379)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends received	<u>3,200</u>	<u>-</u>	<u>1,498</u>	<u>-</u>	<u>4,698</u>
Net change in cash and cash equivalents	(11,824)	-	(4,941)	53,887	37,122
Cash and cash equivalents:					
Beginning of year	<u>105,607</u>	<u>144,477</u>	<u>171,423</u>	<u>280,800</u>	<u>702,307</u>
End of year	<u>\$ 93,783</u>	<u>\$ 144,477</u>	<u>\$ 166,482</u>	<u>\$ 334,687</u>	<u>\$ 739,429</u>

Continued on next page

**CITY OF WARRENTON, OREGON**  
**NONMAJOR ENTERPRISE FUNDS**  
Combining Statement of Cash Flows, Continued  
For the Year Ended June 30, 2015

	Warrenton Marina (010)	Warrenton Marina Capital Reservie (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)	\$ 47,090	\$ -	\$ 70	\$ -	\$ 47,160
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	57,095	-	55,601	-	112,696
Net reduction of expense under GASB 68	(43,028)	-	(26,952)	-	(69,980)
(Increase) decrease in assets:					
Receivables	(11,518)	-	790	-	(10,728)
Increase (decrease) in liabilities:					
Accounts payable and other accrued expenses	2,014	-	4,527	-	6,541
Compensated absences	990	-	(1,741)	-	(751)
Unearned revenue	(70,892)	-	(40,334)	-	(111,226)
Net cash provided by (used in) operating activities	<u>\$ (18,249)</u>	<u>\$ -</u>	<u>\$ (8,039)</u>	<u>\$ -</u>	<u>\$ (26,288)</u>

**Schedule of noncash transactions:**

Capital assets transferred between funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,310</u>	<u>\$ (64,310)</u>	<u>\$ -</u>
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**CITY OF WARRENTON, OREGON**

WATER FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 2,203,550	\$ 2,203,550	\$ 2,217,358	\$ 13,808
Investment earnings	8,700	8,700	5,593	(3,107)
Other revenue	<u>1,000</u>	<u>1,000</u>	<u>11,419</u>	<u>10,419</u>
Total revenues	<u>2,213,250</u>	<u>2,213,250</u>	<u>2,234,370</u>	<u>21,120</u>
Expenditures:				
Personal services	803,243	803,243	755,927	47,316
Materials and services	1,032,416	1,032,416	794,944	237,472
Debt service	653,669	653,669	653,667	2
Contingency	<u>498,461</u>	<u>498,461</u>	<u>-</u>	<u>498,461</u>
Total expenditures	<u>2,987,789</u>	<u>2,987,789</u>	<u>2,204,538</u>	<u>783,251</u>
Excess (deficiency) of revenues over (under) expenditures	(774,539)	(774,539)	29,832	804,371
Other financing sources (uses):				
Transfers out	<u>(427,486)</u>	<u>(427,486)</u>	<u>(427,486)</u>	<u>-</u>
Net change in fund balance	(1,202,025)	(1,202,025)	(397,654)	804,371
Fund Balance:				
Beginning of year	<u>1,205,000</u>	<u>1,205,000</u>	<u>1,329,838</u>	<u>124,838</u>
End of year	<u>\$ 2,975</u>	<u>\$ 2,975</u>	932,184	<u>\$ 929,209</u>
Reconciliation to GAAP Basis:				
Capital assets			17,118,824	
Net pension asset			101,128	
Deferred outflows of resources related to pensions			44,606	
Accrued interest payable			(130,052)	
Compensated absences			(37,432)	
Loans payable			(6,779,335)	
Deferred inflows of resources related to pensions			<u>(195,408)</u>	
GAAP Net Position - end of year			<u>\$ 11,054,515</u>	

**CITY OF WARRENTON, OREGON**

**WATER SYSTEMS DEVELOPMENT**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 185	\$ 185	\$ 205	\$ 20
System development charges	<u>30,000</u>	<u>30,000</u>	<u>86,680</u>	<u>56,680</u>
Total revenues	<u>30,185</u>	<u>30,185</u>	<u>86,885</u>	<u>56,700</u>
Expenditures:				
Capital outlay	32,676	32,676	-	32,676
Debt service	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Total expenditures	<u>112,676</u>	<u>112,676</u>	<u>80,000</u>	<u>32,676</u>
Net change in fund balance	(82,491)	(82,491)	6,885	89,376
Fund Balance:				
Beginning of year	<u>82,491</u>	<u>82,491</u>	<u>106,250</u>	<u>23,759</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,135</u>	<u>\$ 113,135</u>

**CITY OF WARRENTON, OREGON**

**WATER CAPITAL RESERVE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Capital outlay	\$ 186,700	\$ 186,700	\$ 144,365	\$ 42,335
Other financing sources (uses):				
Transfers in	<u>427,486</u>	<u>427,486</u>	<u>427,486</u>	<u>-</u>
Net change in fund balance	240,786	240,786	283,121	42,335
Fund Balance:				
Beginning of year	<u>825,000</u>	<u>825,000</u>	<u>825,586</u>	<u>586</u>
End of year	<u>\$ 1,065,786</u>	<u>\$ 1,065,786</u>	<u>\$ 1,108,707</u>	<u>\$ 42,921</u>

**CITY OF WARRENTON, OREGON**

SEWER FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 1,834,115	\$ 1,834,115	\$ 2,023,040	\$ 188,925
Investment earnings	3,000	3,000	3,647	647
Other revenue	<u>-</u>	<u>-</u>	<u>4,476</u>	<u>4,476</u>
Total revenues	<u>1,837,115</u>	<u>1,837,115</u>	<u>2,031,163</u>	<u>194,048</u>
Expenditures:				
Personal services	776,314	776,314	761,974	14,340
Materials and services	866,968	866,968	626,129	240,839
Debt service	76,230	76,230	76,230	-
Contingency	<u>396,714</u>	<u>396,714</u>	<u>-</u>	<u>396,714</u>
Total expenditures	<u>2,116,226</u>	<u>2,116,226</u>	<u>1,464,333</u>	<u>651,893</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(279,111)</u>	<u>(279,111)</u>	<u>566,830</u>	<u>845,941</u>
Other financing sources (uses):				
Transfers out	(2,475,706)	(2,475,706)	(555,402)	1,920,304
Loan proceeds	<u>1,920,304</u>	<u>1,920,304</u>	<u>-</u>	<u>(1,920,304)</u>
Total other financing sources (uses)	<u>(555,402)</u>	<u>(555,402)</u>	<u>(555,402)</u>	<u>-</u>
Net change in fund balance	(834,513)	(834,513)	11,428	845,941
Fund Balance:				
Beginning of year	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,094,676</u>	<u>94,676</u>
End of year	<u>\$ 165,487</u>	<u>\$ 165,487</u>	1,106,104	<u>\$ 940,617</u>
Reconciliation to GAAP Basis:				
Capital assets			10,469,400	
Net pension asset			76,241	
Deferred outflows of resources related to pensions			33,628	
Accrued interest payable			(13,836)	
Compensated absences			(35,116)	
Loans payable			(1,106,155)	
Deferred inflows of resources related to pensions			<u>(147,319)</u>	
GAAP Net Position - end of year			<u>\$ 10,382,947</u>	



**CITY OF WARRENTON, OREGON**  
**SEWER SYSTEMS DEVELOPMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 565	\$ 565	\$ 407	\$ (158)
System development charges	<u>24,000</u>	<u>24,000</u>	<u>68,765</u>	<u>44,765</u>
Total revenues	<u>24,565</u>	<u>24,565</u>	<u>69,172</u>	<u>44,607</u>
Expenditures:				
Capital outlay	57,837	57,837	-	57,837
Debt service	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>157,837</u>	<u>157,837</u>	<u>100,000</u>	<u>57,837</u>
Net change in fund balance	(133,272)	(133,272)	(30,828)	102,444
Fund Balance:				
Beginning of year	<u>133,272</u>	<u>133,272</u>	<u>151,796</u>	<u>18,524</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,968</u>	<u>\$ 120,968</u>

**CITY OF WARRENTON, OREGON**

**SEWER FUND CAPITAL RESERVE**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Capital outlay	\$ 2,672,954	\$ 2,672,954	\$ 587,461	\$ 2,085,493
Other financing sources (uses):				
Transfers in	<u>2,475,706</u>	<u>2,475,706</u>	<u>555,402</u>	<u>(1,920,304)</u>
Net change in fund balance	(197,248)	(197,248)	(32,059)	165,189
Fund Balance:				
Beginning of year	<u>450,000</u>	<u>450,000</u>	<u>569,094</u>	<u>119,094</u>
End of year	<u>\$ 252,752</u>	<u>\$ 252,752</u>	<u>\$ 537,035</u>	<u>\$ 284,283</u>

**CITY OF WARRENTON, OREGON**

STORM SEWER FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 165,763	\$ 165,763	\$ 173,390	\$ 7,627
Investment earnings	1,500	1,500	1,280	(220)
Other revenue	<u>-</u>	<u>-</u>	<u>14,995</u>	<u>14,995</u>
Total revenues	<u>167,263</u>	<u>167,263</u>	<u>189,665</u>	<u>22,402</u>
Expenditures:				
Personal services	98,690	98,690	91,701	6,989
Materials and services	193,901	212,691	185,331	27,360
Capital outlay	116,050	130,730	89,174	41,556
Contingency	<u>58,622</u>	<u>25,152</u>	<u>-</u>	<u>25,152</u>
Total expenditures	<u>467,263</u>	<u>467,263</u>	<u>366,206</u>	<u>101,057</u>
Net change in fund balance	(300,000)	(300,000)	(176,541)	123,459
Fund Balance:				
Beginning of year	<u>300,000</u>	<u>300,000</u>	<u>303,759</u>	<u>3,759</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>127,218</u>	<u>\$ 127,218</u>
Reconciliation to GAAP Basis:				
Capital assets			605,051	
Net pension asset			10,246	
Deferred outflows of resources related to pensions			4,519	
Compensated absences			(4,878)	
Deferred inflows of resources related to pensions			<u>(19,799)</u>	
GAAP Net Position - end of year			<u>\$ 722,357</u>	

**CITY OF WARRENTON, OREGON**  
**STORM SEWER SYSTEM DEVELOPMENT CHARGES**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 104	\$ 4
System development charges	<u>6,000</u>	<u>6,000</u>	<u>42,753</u>	<u>36,753</u>
Total revenues	6,100	6,100	42,857	36,757
Expenditures:				
Capital outlay	<u>36,681</u>	<u>36,681</u>	<u>-</u>	<u>36,681</u>
Net change in fund balance	(30,581)	(30,581)	42,857	73,438
Fund Balance:				
Beginning of year	<u>30,581</u>	<u>30,581</u>	<u>32,195</u>	<u>1,614</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,052</u>	<u>\$ 75,052</u>

**CITY OF WARRENTON, OREGON**

SANITATION FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 965,000	\$ 965,000	\$ 997,444	\$ 32,444
Investment earnings	1,700	1,700	1,823	123
Other revenue	<u>-</u>	<u>-</u>	<u>2,545</u>	<u>2,545</u>
Total revenues	<u>966,700</u>	<u>966,700</u>	<u>1,001,812</u>	<u>35,112</u>
Expenditures:				
Personal services	223,912	223,912	212,945	10,967
Materials and services	774,307	774,307	691,501	82,806
Contingency	<u>199,826</u>	<u>199,826</u>	<u>-</u>	<u>199,826</u>
Total expenditures	<u>1,198,045</u>	<u>1,198,045</u>	<u>904,446</u>	<u>293,599</u>
Excess (deficiency) of revenues over (under) expenditures	(231,345)	(231,345)	97,366	328,711
Other financing sources (uses):				
Transfers out	<u>(97,739)</u>	<u>(97,739)</u>	<u>(97,739)</u>	<u>-</u>
Net change in fund balance	(329,084)	(329,084)	(373)	328,711
Fund Balance:				
Beginning of year	<u>330,000</u>	<u>330,000</u>	<u>330,995</u>	<u>995</u>
End of year	<u>\$ 916</u>	<u>\$ 916</u>	330,622	<u>\$ 329,706</u>
Reconciliation to GAAP Basis:				
Capital assets			320,811	
Net pension asset			25,110	
Deferred outflows of resources related to pensions			11,076	
Compensated absences			(6,571)	
Landfill postclosure care liability			(314,317)	
Deferred inflows of resources related to pensions			<u>(48,520)</u>	
GAAP Net Position - end of year			<u>\$ 318,211</u>	

**CITY OF WARRENTON, OREGON**  
**SANITATION FUND CAPITAL RESERVE**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Capital outlay	\$ 4,550	\$ 4,550	\$ 4,550	\$ -
Other financing sources (uses):				
Transfers in	<u>97,739</u>	<u>97,739</u>	<u>97,739</u>	<u>-</u>
Net change in fund balance	93,189	93,189	93,189	-
Fund Balance:				
Beginning of year	<u>415,000</u>	<u>415,000</u>	<u>415,195</u>	<u>195</u>
End of year	<u>\$ 508,189</u>	<u>\$ 508,189</u>	<u>\$ 508,384</u>	<u>\$ 195</u>

**CITY OF WARRENTON, OREGON**

WARRENTON MARINA FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 2,375	\$ 2,375	\$ 3,225	\$ 850
Charges for services	372,000	372,000	411,580	39,580
Lease receipts	31,277	31,277	27,614	(3,663)
Investment earnings	4,000	4,000	3,200	(800)
Other revenue	<u>-</u>	<u>-</u>	<u>7,827</u>	<u>7,827</u>
Total revenues	<u>409,652</u>	<u>409,652</u>	<u>453,446</u>	<u>43,794</u>
Expenditures:				
Personal services	267,076	268,076	261,201	6,875
Materials and services	193,461	192,461	162,275	30,186
Contingency	<u>92,232</u>	<u>92,232</u>	<u>-</u>	<u>92,232</u>
Total expenditures	<u>552,769</u>	<u>552,769</u>	<u>423,476</u>	<u>129,293</u>
Excess (deficiency) of revenues over (under) expenditures	(143,117)	(143,117)	29,970	173,087
Other financing sources (uses):				
Transfers out	<u>(26,259)</u>	<u>(26,259)</u>	<u>-</u>	<u>26,259</u>
Net change in fund balance	(169,376)	(169,376)	29,970	199,346
Fund Balance:				
Beginning of year	<u>170,000</u>	<u>170,000</u>	<u>74,742</u>	<u>(95,258)</u>
End of year	<u>\$ 624</u>	<u>\$ 624</u>	104,712	<u>\$ 104,088</u>
Reconciliation to GAAP Basis:				
Capital assets			498,897	
Net pension asset			31,729	
Deferred outflows of resources related to pensions			13,995	
Compensated absences			(15,132)	
Deferred inflows of resources related to pensions			<u>(61,310)</u>	
GAAP Net Position - end of year			<u>\$ 572,891</u>	

**CITY OF WARRENTON, OREGON**  
**WARRENTON MARINA CAPITAL RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Capital outlay	\$ 170,736	\$ 170,736	\$ -	\$ 170,736
Other financing sources (uses):				
Transfers in	<u>26,259</u>	<u>26,259</u>	<u>-</u>	<u>(26,259)</u>
Net change in fund balance	(144,477)	(144,477)	-	144,477
Fund Balance:				
Beginning of year	<u>144,477</u>	<u>144,477</u>	<u>144,477</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,477</u>	<u>\$ 144,477</u>



**CITY OF WARRENTON, OREGON**

HAMMOND MARINA FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 24,100	\$ 24,100	\$ 10,975	\$ (13,125)
Charges for services	182,000	182,000	232,363	50,363
Lease receipts	12,901	12,901	12,981	80
Investment earnings	2,200	2,200	1,498	(702)
Other revenue	<u>-</u>	<u>-</u>	<u>5,709</u>	<u>5,709</u>
Total revenues	<u>221,201</u>	<u>221,201</u>	<u>263,526</u>	<u>42,325</u>
Expenditures:				
Personal services	125,424	130,424	127,710	2,714
Materials and services	136,186	131,186	99,065	32,121
Contingency	<u>40,261</u>	<u>40,261</u>	<u>-</u>	<u>40,261</u>
Total expenditures	<u>301,871</u>	<u>301,871</u>	<u>226,775</u>	<u>75,096</u>
Excess (deficiency) of revenues over (under) expenditures	(80,670)	(80,670)	36,751	117,421
Other financing sources (uses):				
Transfers out	<u>(104,040)</u>	<u>(104,040)</u>	<u>-</u>	<u>104,040</u>
Net change in fund balance	(184,710)	(184,710)	36,751	221,461
Fund Balance:				
Beginning of year	<u>185,000</u>	<u>185,000</u>	<u>125,328</u>	<u>(59,672)</u>
End of year	<u>\$ 290</u>	<u>\$ 290</u>	<u>162,079</u>	<u>\$ 161,789</u>
Reconciliation to GAAP Basis:				
Capital assets			815,833	
Net pension asset			19,874	
Deferred outflows of resources related to pensions			8,766	
Compensated absences			(7,021)	
Deferred inflows of resources related to pensions			<u>(38,402)</u>	
GAAP Net Position - end of year			<u>\$ 961,129</u>	

**CITY OF WARRENTON, OREGON**  
**HAMMOND MARINA CAPITAL RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 103,000	\$ 103,000	\$ 121,673	\$ 18,673
Expenditures:				
Capital outlay	<u>470,543</u>	<u>470,543</u>	<u>64,310</u>	<u>406,233</u>
Excess (deficiency) of revenues over (under) expenditures	(367,543)	(367,543)	57,363	424,906
Other financing sources (uses):				
Transfers in	<u>104,040</u>	<u>104,040</u>	<u>-</u>	<u>(104,040)</u>
Net change in fund balance	(263,503)	(263,503)	57,363	320,866
Fund Balance:				
Beginning of year	<u>263,503</u>	<u>263,503</u>	<u>308,382</u>	<u>44,879</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,745</u>	<u>\$ 365,745</u>

COMPLIANCE SECTION



## COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITORS REQUIRED BY STATE STATUTE

Honorable Mayor and City Commission  
City of Warrenton, Oregon

An Independently Owned Member  
**McGLADREY ALLIANCE**



We have audited the basic financial statements of the City of Warrenton, Oregon (City) as of and for the year ended June 30, 2015, and have issued our report thereon dated January 29, 2016. 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:

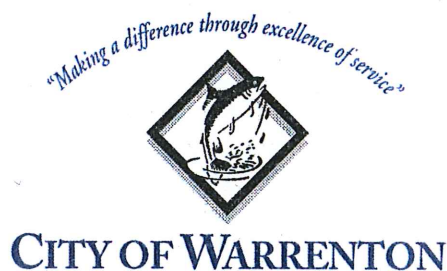


Paul Nielson, CPA, a member of the firm

Eugene, Oregon

January 29, 2016

6-D



## AGENDA MEMORANDUM

TO: The Warrenton City Commission

FROM: Linda Engbretson, CMC, City Recorder/Asst. to the City Manager

DATE: February 9, 2016

SUBJ: Commission Initiated Street Vacation

### SUMMARY

Mr. and Mrs. Robert Dorning, 296 SE Galena Ave., have inquired as to whether they could vacate the remaining 10 ft. of the portion of 8<sup>th</sup> Street that lies between tax lots 81022CB05300 and 5400. The Dornings own both lots. The question came up as to why the south 10 ft. was left out of the portion of 8<sup>th</sup> Street vacated in 1952. The applicants at that time, M.E. and Ennid Mandon's petition included that 10 ft. in the petition; however, the posting and final ordinance excluded it. There are neither notes in the file nor explanation in the minutes as to why it was excluded. Our conclusion is it was reserved for a utility easement, although there were no utilities at that time, and there are no utilities located within that portion of 8<sup>th</sup> Street today. Tax Lot 81022CB05500 is owned by the County and 5600 is owned by Mr. Ray Pohl. Community Development Director Skip Urling has indicated that 5600 is likely not buildable due to the riparian setback. The County's property will take significant permitting due to wetlands. The vacation will not land lock either of these parcels, and our code now requires 20 ft. for utilities.

Staff is presenting this to you to ask you to consider vacating the remainder of this portion of 8<sup>th</sup> Street on the Commission's own motion. The Dornings own both tax on either side of the remaining portion of 8<sup>th</sup> Street. If the Commission approves moving forward in this manner staff will notify both the County and Mr. Pohl of the Commission's consideration to give them the opportunity to submit any objections they may have to the proposed vacation.

#### RECOMMENDATION/SUGGESTED MOTION

*" I move to direct the City Recorder to provide notice of a public hearing on March 8, 2016, for consideration of vacating the south 10 ft. of 8<sup>th</sup> Street between Block 3 and Block 8.*

#### ALTERNATIVE

- 1) Require the Dornings to petition the City for the vacation
- 2) Other action as deemed appropriate by the City Commission

#### FISCAL IMPACT

The property will be added to the tax rolls if vacated.

Approved by City Manager:



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

recording officer shall hold the sum so obtained until the actual cost has been ascertained, when the amount of the cost shall be paid into the city treasury and any surplus refunded to the depositor. [Amended by 1991 c.629 s.1]

**271.120 Hearing; determination.** At the time fixed by the governing body for hearing the petition and any objections filed thereto or at any postponement or continuance of such matter, the governing body shall hear the petition and objections and shall determine whether the consent of the owners of the requisite area has been obtained, whether notice has been duly given and whether the public interest will be prejudiced by the vacation of such plat or street or parts thereof. If such matters are determined in favor of the petition the governing body shall by ordinance make such determination a matter of record and vacate such plat or street; otherwise it shall deny the petition. The governing body may, upon hearing, grant the petition in part and deny it in part, and make such reservations, or either, as appear to be for the public interest.

\* **271.130 Vacation on council's own motion; appeal.** (1) The city governing body may initiate vacation proceedings authorized by ORS 271.080 and make such vacation without a petition or consent of property owners. Notice shall be given as provided by ORS 271.110, but such vacation shall not be made before the date set for hearing, nor if the owners of a majority of the area affected, computed on the basis provided in ORS 271.080, object in writing thereto, nor shall any street area be vacated without the consent of the owners of the abutting property if the vacation will substantially affect the market value of such property, unless the city governing body provides for paying damages. Provision for paying such damages may be made by a local assessment, or in such other manner as the city charter may provide.

(2) Two or more streets, alleys, avenues and boulevards, or parts thereof, may be joined in one proceeding, provided they intersect or are adjacent and parallel to each other.

(3) No ordinance for the vacation of all or part of a plat shall be passed by the governing body until the city recording officer has filed in the office of the city recording officer or indorsed on the petition for such vacation a certificate showing that all city liens and all taxes have been paid on the lands covered by the plat or portion thereof to be vacated.

(4) Any property owner affected by the order of vacation or the order awarding damages or benefits in such vacation proceedings may appeal to the circuit court of the county where such city is situated in the manner provided by the city charter. If the charter does not provide for such appeal, the appeal shall be taken within the time and in substantially the manner provided for taking an appeal from justice court in civil cases. [Amended by 1995 c.658 s.101]

**271.140 Title to vacated areas.** The title to the street or other public area vacated shall attach to the lands bordering on such area in equal portions; except that where the area has been originally dedicated by different persons and the fee title to such area has not been otherwise disposed of, original boundary lines shall be adhered to and the street area which lies on each side of such boundary line shall attach to the abutting property on such side. If a public square is vacated the title thereto shall vest in the city. [Amended by 1981 c.153 s.58]

**271.150 Vacation records to be filed; costs.** A certified copy of the ordinance vacating any street or plat area and any map, plat or other record in regard thereto which may be required or provided for by law, shall be filed for record with the county clerk. The petitioner for such vacation shall bear the recording cost and the cost of preparing and filing the certified copy of the ordinance and map. A certified copy of any such ordinance shall be filed with the county assessor and county surveyor.

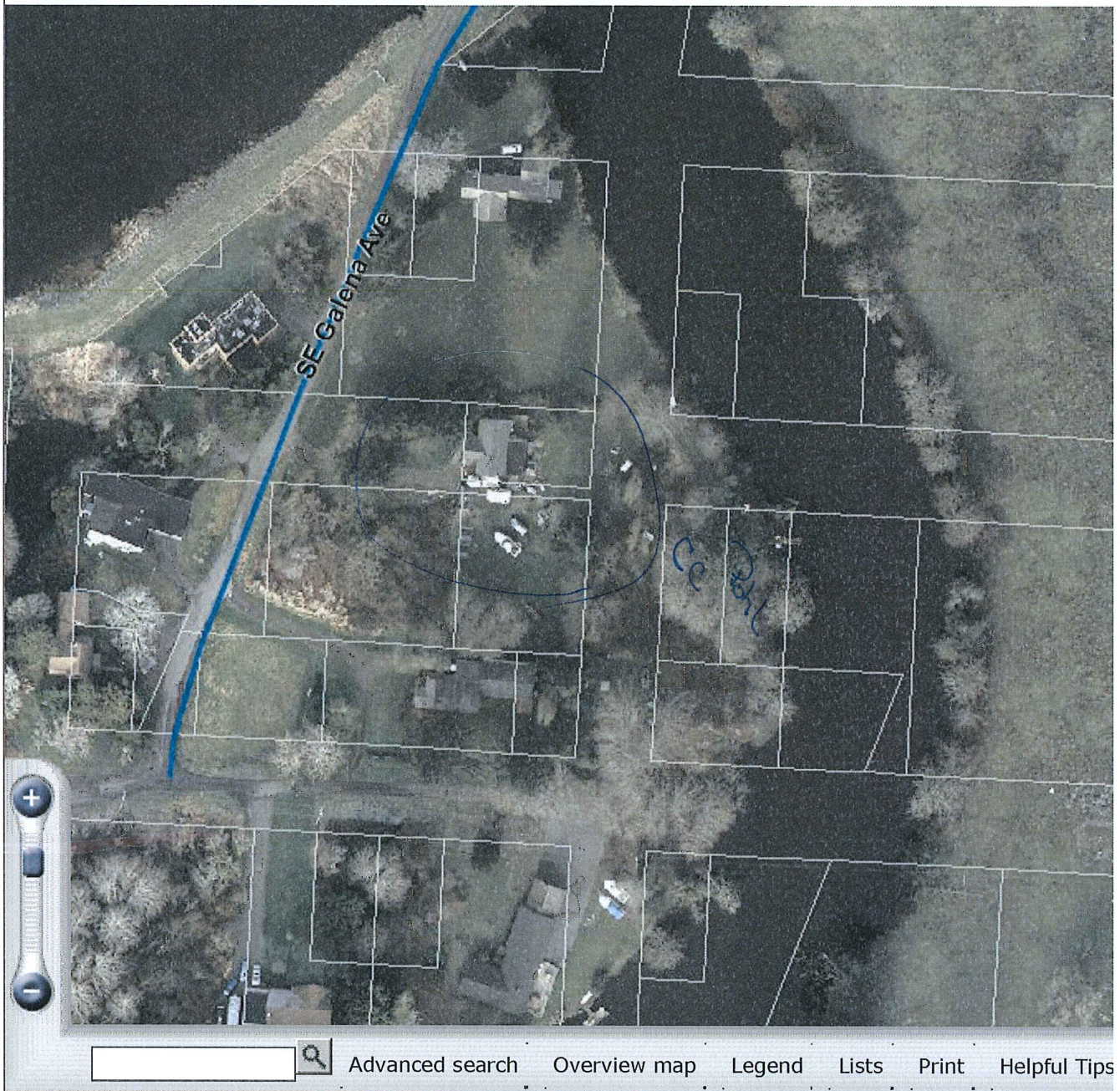


- [MapHome](#)
- [City Taxlots](#)
- [City Zoning Districts](#)
- [FEMA Flood Zones](#)
- [City Wetland Inventory](#)
- [LiDAR Contours](#)
- [Warrenton Water](#)
- [Sewer and Storm](#)
- [Wa W: Dis](#)





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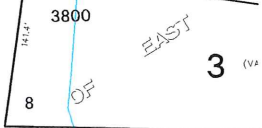




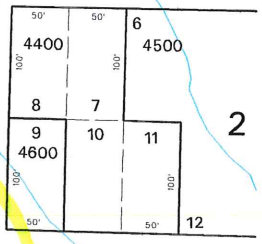
SEE MAP 8 10 22BC

1/4 COR.

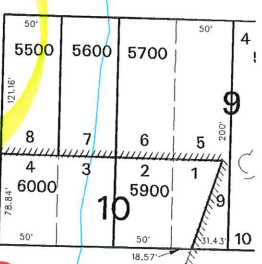
S.E. 1ST



S.E. 2ND (EVERETT)



S.E. 3RD



OLD CHANNEL

MEANDER LINE

FLEET AVE.

GALENA AVE.

S.E. (8TH ST.)

S.E. (PRESTON ST.)

30-10

S.E. (MORTON ST.)

S.E. (THOMPSON ST.)

S.E. (NORTH ST.)

30-04

S.E. 6TH (11TH ST.)

SEE MAP 8 10 22CC

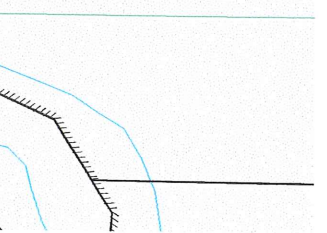
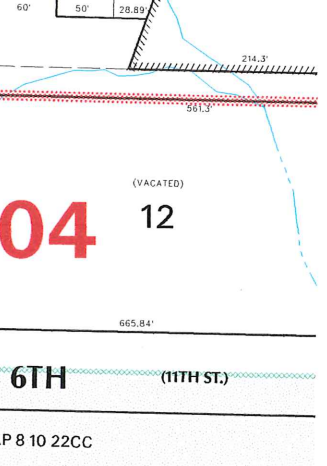
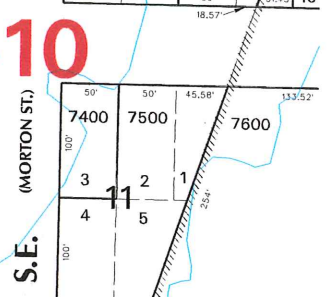
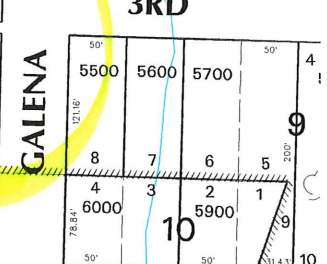
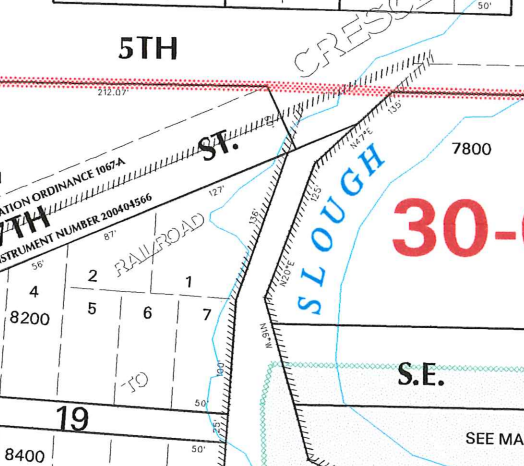
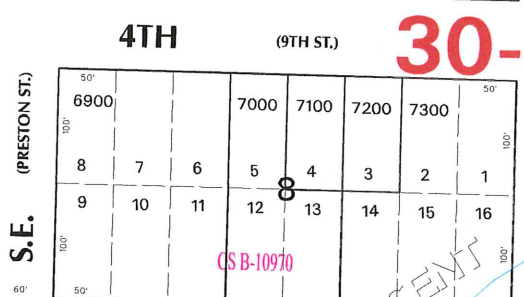
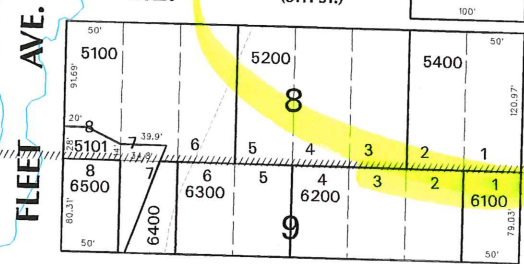
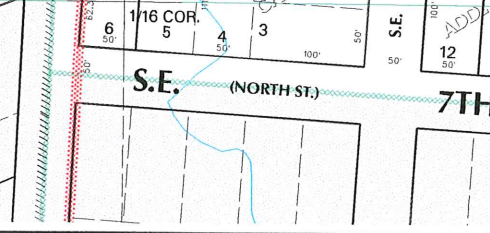
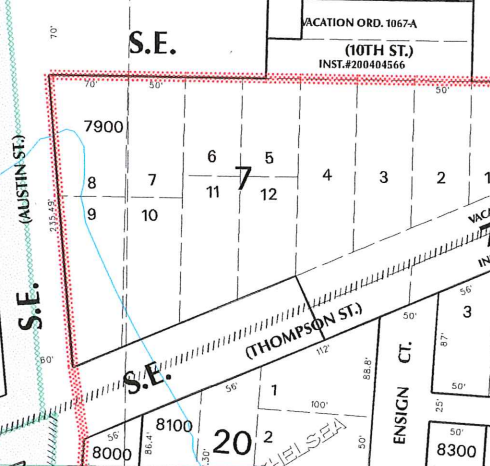
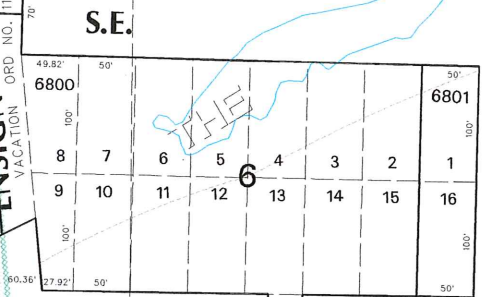
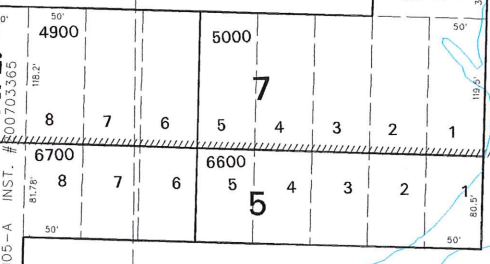
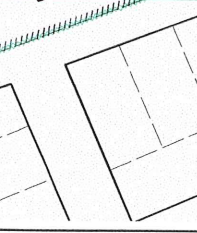
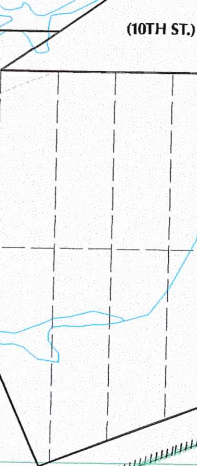
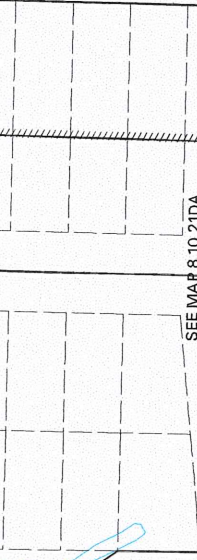
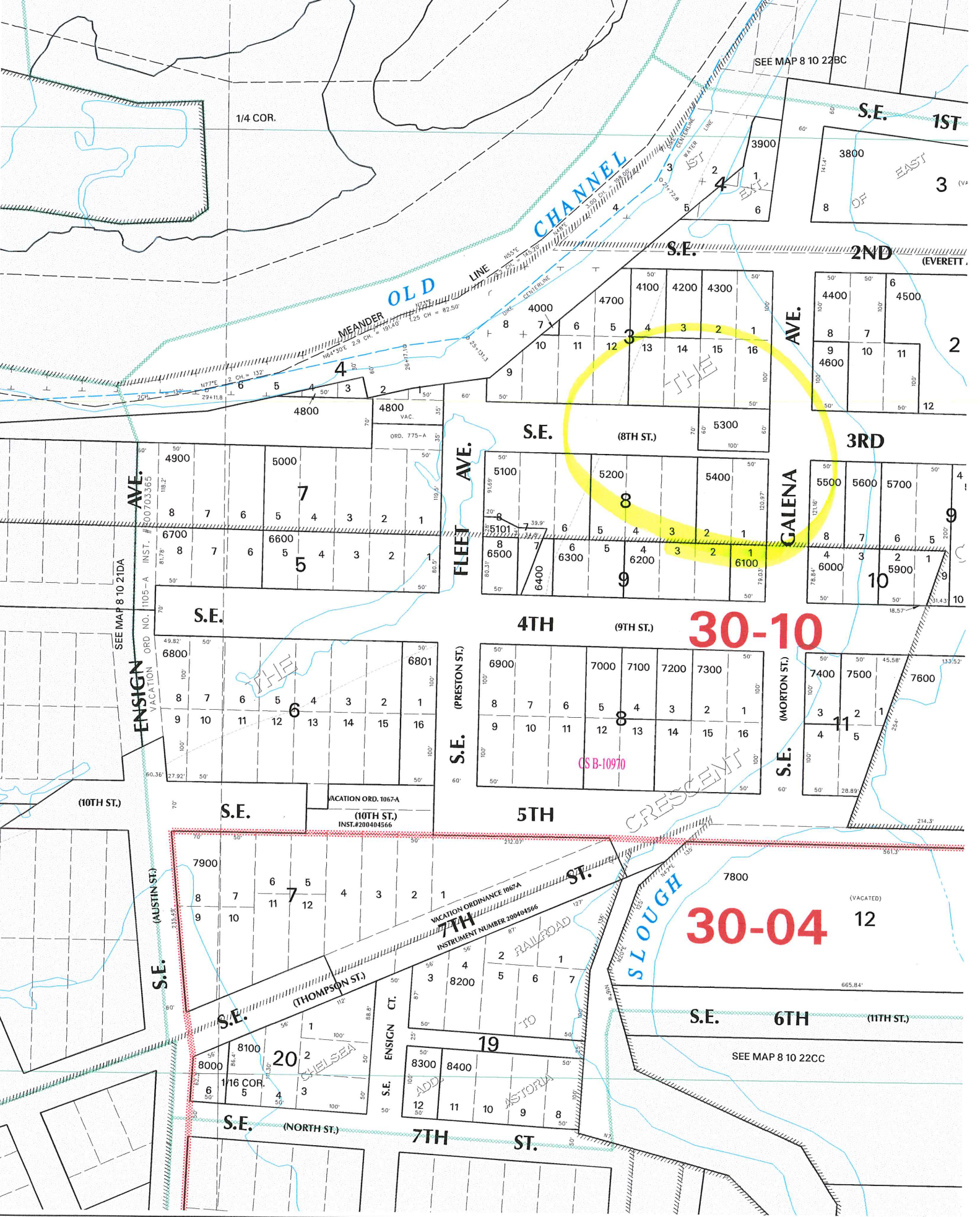
7TH ST.

SEE MAP 8 TO 21DA

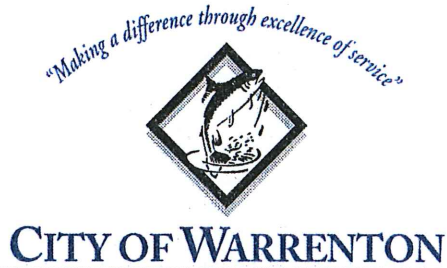
ENSEIGN VACATION

(AUSTIN ST.)

(NORTH ST.)



6-E



## AGENDA MEMORANDUM

TO: The Warrenton City Commission  
FROM: Linda Engbretson, CMC, City Recorder/Asst. to the City Manager  
DATE: February 9, 2016  
SUBJ: Resolution No. 2455 Authorizing A Clean Water State Revolving Loan

### SUMMARY

In 2007 the City entered into a Clean Water State Revolving Loan Agreement with the Department of Environmental Quality in the amount of \$1,920,304 for design and construction of a new SBR (Sequencing Batch Reactor) wastewater treatment plant, deep water Columbia River outfall, and downtown pump station. The City had other state loans that were used to complete the WWTP, and this loan was then to be used for the downtown pump station. It was the City's understanding that approval from DEQ had been given to expand the project to include infrastructure that would move sewerage from the east side of the Skipanon River directly to the sewer treatment plant, by-passing the downtown core area to alleviate flooding to existing pump stations and the pressure sewerline in the downtown area. The City redesigned the project and received approval from DEQ for the new project. It was the City's understanding the original \$1,920,304 loan would be used for the "Core Conveyance Project", and the City moved forward under that assumption. The City was recently informed a new loan is required. It's really housekeeping, as the loan

amount is the same. This Loan Agreement is a "Revenue Secured Loan." The project description for this loan is "Replacement of pump station pumps and motors and reroute of effluent from the pump station to the waste water treatment plant."

The attached Resolution No. 2455 is required to authorize the Loan Agreement and set up the loan reserve account.

#### RECOMMENDATION/SUGGESTED MOTION

*" I move to adopt Resolution No. 2455; Authorizing and Approving a Clean Water State Revolving Fund Loan Agreement to Provide Financing for the City of Warrenton Wastewater Treatment Plant Upgrades (Core Conveyance) Project.*

#### ALTERNATIVE

None recommended

#### FISCAL IMPACT

As described in the loan documents.

Approved by City Manager:



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



RESOLUTION NO. 2455

INTRODUCED BY ALL COMMISSIONERS

AUTHORIZING AND APPROVING A CLEAN WATER STATE REVOLVING  
FUND LOAN AGREEMENT  
TO PROVIDE FINANCING FOR THE CITY OF WARRENTON  
WASTEWATER TREATMENT PLANT UPGRADES  
(CORE CONVEYANCE PROJECT)

WHEREAS, the City of Warrenton, Oregon (the "city") has entered into a loan agreement, pursuant to ORS 468.439, with the State of Oregon Department of Environmental Quality (the "DEQ") for a loan to the City from the State Revolving Fund in the amount of \$1,920,304, for the purpose of providing financing for the City of Warrenton's Wastewater Treatment Plant Upgrades (Core Conveyance) Project; and

WHEREAS, construction costs have increased the total cost of the project; and

WHEREAS, it is necessary to request that loan funds be made available, and the City's loan R94944 is cancelled and replaced with loan R94945; and

WHEREAS, the City has reviewed the form of the CWSRF Loan Agreement and Amendment and finds in Article 1 that the City, as "Borrower," agrees to pledge its Sewer System Net Operating Revenues as a first and paramount lien to secure the loan from the State Revolving Fund, and in Article 5 ( C ) that the City agrees to maintain a loan reserve account in the amount that equals 100% times one-half of the average annual debt service based on the final repayment schedule, and that until the final loan amount is calculated, the loan reserve requirement is \$30,124, and the Borrower shall use the funds in the loan reserve account solely to pay amounts due hereunder until the loan, interest, fees, and any other amounts due hereunder have been fully paid.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Warrenton, Oregon;

Section 1. The City does authorize and approve of the form of the CWSRF Loan Amendment for the financing of the City's Wastewater Treatment Plant Upgrades (Core Conveyance) in the amount of \$1,920,304.

Section 2. This resolution takes effect immediately upon its passage.

Adopted by the City Commission this 9<sup>th</sup> day of February 2016.

APPROVED

\_\_\_\_\_  
Mark Kujala, Mayor

ATTEST

\_\_\_\_\_  
Linda Engbretson, CMC, City Recorder

**CLEAN WATER STATE REVOLVING FUND  
LOAN AGREEMENT  
No. R94945**

**BETWEEN**

**THE STATE OF OREGON  
ACTING BY AND THROUGH ITS  
DEPARTMENT OF ENVIRONMENTAL QUALITY**

**AND**

**CITY OF WARRENTON**

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**THIS LOAN AGREEMENT** ("Agreement") is made and entered into as of the date it is fully executed by both parties (and in the case of the State, approved by the Attorney General's Office, if required) and is by and between the **State of Oregon, acting by and through its Department of Environmental Quality** ("DEQ"), and the **Borrower** (as defined below). Unless the context requires otherwise, capitalized terms not defined below shall have the meanings assigned to them by ARTICLE 9 of this Loan Agreement. The reference number for the Loan made pursuant to this Loan Agreement is Loan No. R94945.

DEQ agrees to make, and Borrower agrees to accept, the Loan on the terms and subject to the conditions set forth below.

#### ARTICLE 1: THE LOAN - SPECIFIC TERMS

DEQ agrees to make the Loan on the following terms and conditions:

- (A) **BORROWER:** City of Warrenton.
- (B) **BORROWER'S ADDRESS:** 2255 S. Main  
P.O. Box 250  
Warrenton, Oregon 97146  
Fax 503-861-2351
- (C) **LOAN AMOUNT:** \$1,920,304.
- (D) **TYPE AND PURPOSE OF LOAN.** The Loan is a "Revenue Secured Loan" made by DEQ pursuant to OAR Section 340-054-0065(2) for the purpose of financing the Project.
- (E) **PROJECT TITLE:** Wastewater Treatment Plant Upgrades.
- (F) **DESCRIPTION OF THE PROJECT:** Replacement of pump station pumps and motors and reroute of effluent from the pump station to the waste water treatment plant.
- (G) **INTEREST RATE:** One and 45/100 percent (1.45%) per annum. Calculation of interest is also discussed in ARTICLE 2(E) and in ARTICLE 2(F)(4) of this Agreement.
- (H) **REPAYMENT PERIOD:** Ending no later than thirty (30) years after the Completion Date.
- (I) **TERMS OF REPAYMENT:** An interest-only payment within six months after the estimated Project Completion Date set forth in ARTICLE 3(A)(10) and thereafter semi-annual payments of principal and interest in accordance with APPENDIX A and ARTICLE 2(F) of this Agreement.

**(J) PLEDGE:** The Borrower hereby grants to DEQ a security interest in and irrevocably pledges its Net Operating Revenues to secure payment of and to pay the amounts due under this Loan Agreement. The Net Operating Revenues so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The Borrower represents and warrants that the pledge of Net Operating Revenues hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Borrower covenants with DEQ and any assignee of this Agreement that except as otherwise expressly provided herein, the Borrower shall not issue any other obligations which have a pledge or lien on the Net Operating Revenues superior to or on a parity with the pledge herein granted without the written permission of DEQ. The lien of this pledge is on a parity with the liens securing all other CWSRF loans between DEQ and the Borrower provided, however, that this provision shall not affect the priority that prior CWSRF loans are entitled to in relation to any loans between Borrower and any third parties.

**(K) ANNUAL FEE:** An annual fee of 0.5% of the Outstanding Loan Amount (as determined prior to the posting of the payment due on that date) is due during the Repayment Period commencing with the second payment date hereunder and annually thereafter.

**(L) LOAN FORGIVENESS:** If the Borrower completes the Project, and provided there is no default of any of the terms hereof, DEQ shall forgive fifty percent (50%) of the Loan or \$500,000, whichever is less (the portion of the Loan that is forgiven being referred to as the "Forgivable Loan"), on the date the first repayment is due hereunder. The amount of the Loan forgiveness will be determined when the Final Loan Amount is calculated.

## ARTICLE 2: GENERAL LOAN PROVISIONS

**(A) AGREEMENT OF DEQ TO LOAN.** DEQ agrees to loan the Borrower an amount not to exceed the Loan Amount, subject to the terms and conditions of this Loan Agreement, but solely from funds available to DEQ in the Water Pollution Control Revolving Fund for its Clean Water State Revolving Fund program. This Loan Agreement is given as evidence of a Loan to the Borrower made by DEQ pursuant to ORS Chapters 190, 286A, 287A, and 468, and OAR Chapter 340, all as amended from time to time, consistent with the express provisions hereof.

**(B) AVAILABILITY OF FUNDS.** DEQ's obligation to make the Loan described in this Agreement is subject to the availability of funds in the Water Pollution Control Revolving Fund for its CWSRF program, and DEQ shall have no liability to the Borrower or any other party if such funds are not available or are not available in amounts sufficient to fund the entire Loan described herein, as determined by DEQ in the reasonable exercise of its administrative discretion. Funds may not be available ahead of the estimated schedule of disbursements submitted by the Borrower, which is attached as APPENDIX B. This schedule may be revised from time to time by the parties without the necessity of an amendment by replacing the then current APPENDIX B with an updated APPENDIX B which is dated and signed by both parties.

**(C) DISBURSEMENT OF LOAN PROCEEDS.**

(1) Project Account(s). Loan proceeds (as and when disbursed by DEQ to the Borrower) shall be deposited in a Project account(s). The Borrower shall maintain Project account(s) as segregated account(s). Funds in the Project account(s) shall only be used to pay for Project costs, and all earnings on the Project account(s) shall be credited to the account(s).

(2) Documentation of Expenditures. The Borrower shall provide DEQ with written evidence of materials and labor furnished to and performed upon the Project and such receipts for the payment of the same, releases, satisfactions and other signed statements and forms as DEQ may reasonably require. DEQ will disburse funds to pay Project costs only after the Borrower has provided documentation satisfactory to DEQ that such Project costs have been incurred and qualify for reimbursement hereunder.

(3) Adjustments and Corrections. DEQ may at any time review and audit requests for disbursement and make adjustments for, among other things, ineligible expenditures, mathematical errors, items not built or bought, unacceptable work and other discrepancies. Nothing in this Agreement requires DEQ to pay any amount for labor or materials unless DEQ is satisfied that the claim therefor is reasonable and that the Borrower actually expended and used such labor or materials in the Project. In addition, DEQ shall not be required to make any disbursement which would cause the total of all disbursements made hereunder (including the requested disbursement) to be greater than the total estimated cost of the work completed at the time of the disbursement, as determined by DEQ.

(4) Contract Retainage Disbursement. DEQ will not disburse Loan proceeds to cover contractor retainage unless the Borrower is disbursing retainage to an escrow account and provides proof of the deposit, or until the Borrower provides proof that it paid retained funds to the contractor.

**(D) AGREEMENT OF BORROWER TO REPAY.** The Borrower agrees to repay all amounts owed on this Loan as described in ARTICLE 1(I) and ARTICLE 2(F) in U.S. Dollars in immediately available funds at the place listed for DEQ in ARTICLE 10(A). In any case, the Borrower agrees to repay all amounts owed on this Loan within the Repayment Period.

**(E) INTEREST.** Interest will accrue at the rate specified in ARTICLE 1(G) from the date that a disbursement hereunder is mailed or delivered to the Borrower or deposited into an account of the Borrower. Interest will accrue using a 365/366 day year and actual days elapsed until the Final Loan Amount is determined and the final repayment schedule is prepared and thereafter on a 360-day year basis and actual days elapsed.

**(F) LOAN REPAYMENT.**

(1) Preliminary Repayment Schedule; Interim Payments. The attached APPENDIX A is a preliminary repayment schedule based on the estimated date of the first

disbursement hereunder and Loan Amount. Until the final repayment schedule is effective, the Borrower shall make the payments set forth in the preliminary repayment schedule.

(2) Final Repayment Schedule. After the Borrower has submitted its final request for Loan proceeds and DEQ has made all required disbursements hereunder, DEQ will determine the Final Loan Amount and prepare a final payment schedule that provides for level semi-annual installment payments of principal and interest (commencing on the next semi-annual payment date), each in an amount sufficient to pay accrued interest to the date of payment and to pay so much of the principal balance as to fully amortize the then Outstanding Loan Amount over the remaining Repayment Period.

(3) Crediting of Scheduled Payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received. Scheduled payments will be applied first to fees due, if any, and then to interest, according to the applicable repayment schedule, and then to principal.

(4) Crediting of Unscheduled Payments. All unscheduled payments, including any prepayments and partial payments, will be applied first to fees due, if any, and then to accrued unpaid interest (which will be computed as otherwise provided in this Agreement, except that interest from the last payment date will be calculated using a 365/366 day year and actual days elapsed), and then to principal. In the case of a Loan prepayment that does not prepay all of the principal of the Loan, DEQ will determine, in its sole discretion, how it will apply such Loan prepayment to the Outstanding Loan Amount. After a partial payment, DEQ may, in its sole and absolute discretion, reamortize the Outstanding Loan Amount at the same interest rate for the same number of payments to decrease the Loan payment amount; provided, however, that nothing in this Agreement requires DEQ to accept any partial payment or to reamortize the Outstanding Loan Amount if it accepts a partial payment.

(5) Final Payment. The Outstanding Loan Amount, all accrued and unpaid interest, and all unpaid fees and charges due hereunder are due and payable no later than twenty (20) years after the Completion Date.

**(G) PREPAYMENT.**

(1) Optional Prepayment. The Borrower may prepay any amount owed on this Loan without penalty on any business day upon 24 hours prior written notice. Any prepayment made hereunder will be applied in accordance with ARTICLE 2(F)(4).

(2) Refinancing of Loan by the Borrower. If the Borrower refinances the portion of the Project financed by this Loan or obtains an additional grant or loan that is intended to finance the portion of the Project financed by this Loan, it will prepay the portion of the Loan being refinanced by the additional grant or loan.

(3) Ineligible Uses of the Project. If the Borrower uses the Project for uses that are other than those described in ARTICLE 1(F) ("ineligible uses"), the Borrower shall, upon demand by DEQ, prepay an amount equal to the Outstanding Loan Amount multiplied by the percentage (as determined by DEQ) of ineligible use of the Project.

Such prepayment shall be applied against the most remotely maturing principal installments and shall not postpone the due date of any payment(s) hereunder.

**(H) LATE PAYMENT FEE.** The Borrower agrees to pay immediately upon DEQ's demand a late fee equal to five percent (5%) of any payment (including any loan fee) that is not received by DEQ on or before the tenth (10<sup>th</sup>) calendar day after such payment is due hereunder.

**(I) TERMINATION OF LOAN AGREEMENT.** Upon performance by the Borrower of all of its obligations under this Loan Agreement, including payment in full of the Final Loan Amount, all accrued interest and all fees, charges and other amounts due hereunder, this Loan Agreement will terminate, and DEQ will release its interest in any collateral given as security under this Loan Agreement.

### **ARTICLE 3: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS**

**(A) REPRESENTATIONS AND WARRANTIES OF THE BORROWER.** The Borrower represents and warrants to DEQ that:

(1) It is a duly formed and existing public agency (as defined in ORS 468.423(2)) and has full power and authority to enter into this Loan Agreement.

(2) This Agreement has been duly authorized and executed and delivered by an authorized officer of the Borrower and constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

(3) All acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Agreement have existed, have happened, and have been performed in due time, form and manner as required by law.

(4) Neither the execution of this Loan Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with any of the terms and conditions of this Loan Agreement will violate any provision of law, or any order of any court or other agency of government, or any agreement or other instrument to which the Borrower is now a party or by which the Borrower or any of its properties or assets is bound. Nor will this Loan Agreement be in conflict with, result in a breach of, or constitute a default under, any such agreement or other instrument, or, except as provided hereunder, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower.

(5) This Loan Agreement does not create any unconstitutional indebtedness. The Loan Amount together with all of the Borrower's other obligations does not, and will not, exceed any limits prescribed by the Constitution, any of the statutes of the State of Oregon, the Borrower's charter, or any other authority.

(6) The Project is a project which the Borrower may undertake pursuant to Oregon law and for which the Borrower is authorized by law to borrow money.

(7) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain the Facility and the Project, other than licenses and permits relating to the Facility or the Project which the Borrower expects to and shall receive in the ordinary course of business, to carry on its activities relating thereto, to execute and deliver this Agreement, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this Agreement.

(8) The information contained herein which was provided by the Borrower is true and accurate in all respects, and there is no material adverse information relating to the Project or the Loan, known to the Borrower, that has not been disclosed in writing to DEQ.

(9) No litigation exists or has been threatened that would cast doubt on the enforceability of the Borrower's obligations under this Loan Agreement.

(10) The estimated Completion Date of the Project is 12/31/2018. The Borrower agrees to complete the Project by the estimated Completion Date.

(11) The estimated total Costs of the Project are \$1,920,304.

(12) The Borrower is in compliance with all laws, ordinances, and governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Borrower to conduct its activities or undertake or complete the Project or the condition (financial or otherwise) of the Borrower or the Project.

**(B) CONTINUING REPRESENTATIONS OF THE BORROWER.** The representations of the Borrower contained herein shall be true on the closing date for the Loan and at all times during the term of this Agreement.

**(C) REPRESENTATIONS AND WARRANTIES OF DEQ.** DEQ represents and warrants that the Director has power under ORS Chapter 468 and OAR Chapter 340, Division 54, to enter into the transactions contemplated by this Loan Agreement and to carry out DEQ's obligations thereunder and that the Director is authorized to execute and deliver this Loan Agreement and to make the Loan as contemplated hereby.

#### ARTICLE 4: CONDITIONS TO LOAN

**(A) CONDITIONS TO CLOSING.** DEQ's obligations hereunder are subject to the condition that on or prior to March 31, 2016 the Borrower will duly execute and deliver to DEQ the following items, each in form and substance satisfactory to DEQ and its counsel:

(1) this Agreement duly executed and delivered by an authorized officer of the Borrower;

(2) a copy of the ordinance, order or resolution of the governing body of the Borrower authorizing the execution and delivery of this Agreement, certified by an

authorized officer of the Borrower;

(3) Certification Regarding Lobbying, substantially in the form of APPENDIX G, duly executed and delivered by an authorized officer of the Borrower;

(4) an opinion of the legal counsel to the Borrower to the effect that:

(a) The Borrower has the power and authority to execute and deliver and perform its obligations under this Loan Agreement;

(b) This Loan Agreement has been duly executed and acknowledged where necessary by the Borrower's authorized representative(s), all required approvals have been obtained, and all other necessary actions have been taken, so that this Loan Agreement is valid, binding, and enforceable against the Borrower in accordance with its terms, except as such enforcement is affected by bankruptcy, insolvency, moratorium, or other laws affecting creditors rights generally;

(c) To such counsel's knowledge, this Loan Agreement does not violate any other agreement, statute, court order, or law to which the Borrower is a party or by which it or any of its property or assets is bound; and

(d) The Gross Revenues from which the Net Operating Revenues are derived and that are used as security for the Loan will not constitute taxes that are limited by Section 11b, Article XI of the Oregon Constitution; and

(5) such other documents, certificates, opinions and information as DEQ or its counsel may reasonably require.

**(B) CONDITIONS TO DISBURSEMENTS.** Notwithstanding anything in this Agreement to the contrary, DEQ shall have no obligation to make any disbursement to the Borrower under this Agreement unless:

(1) No Event of Default and no event, omission or failure of a condition which would constitute an Event of Default after notice or lapse of time or both has occurred and is continuing;

(2) All of the Borrower's representations and warranties in this Agreement are true and correct on the date of disbursement with the same effect as if made on such date; and

(3) The Borrower submits a disbursement request to DEQ that complies with the requirements of ARTICLE 2(C);

provided, however, DEQ shall be under no obligation to make any disbursement if:

(x) DEQ determines, in the reasonable exercise of its administrative discretion, there is insufficient money available in the SRF and CWSRF Program for the Project; or

(y) there has been a change in any applicable state or federal law, statute, rule or regulation so that the Project is no longer eligible for the Loan.

**ARTICLE 5: COVENANTS OF BORROWER**

**(A) GENERAL COVENANTS OF THE BORROWER.** Until the Loan is paid in full, the Borrower covenants with DEQ that:

(1) The Borrower shall use the Loan funds only for payment or reimbursement of the Costs of the Project in accordance with this Loan Agreement. The Borrower acknowledges and agrees that the Costs of the Project do NOT include any Lobbying costs or expenses incurred by Borrower or any person on behalf of Borrower and that Borrower will not request payment or reimbursement for Lobbying costs and expenses.

(2) If the Loan proceeds are insufficient to pay for the Costs of the Project in full, the Borrower shall pay from its own funds and without any right of reimbursement from DEQ all such Costs of the Project in excess of the Loan proceeds.

(3) The Borrower is and will be the owner of the Facility and the Project and shall defend them against the claims and demands of all other persons at any time claiming the same or any interest therein.

(4) The Borrower shall not sell, lease, transfer, or encumber or enter into any management agreement or special use agreement with respect to the Facility or any financial or fixed asset of the utility system that produces the Net Operating Revenues without DEQ's prior written approval, which approval may be withheld for any reason. Upon sale, transfer or encumbrance of the Facility or the Project, in whole or in part, to a private person or entity, this Loan shall be immediately due and payable in full.

(5) Concurrent with the execution and delivery of this Loan Agreement, or as soon thereafter as practicable, the Borrower shall take all steps necessary to cause the Project to be completed in a timely manner in accordance with all applicable DEQ requirements. Project construction must begin within five (5) years of the environmental determination required by OAR 340-054-0022(5)(c). Borrower shall take reasonable steps to begin using the Loan proceeds within two (2) years after execution of this Agreement, and if Borrower fails to do so, DEQ may terminate this Agreement.

(6) The Borrower shall take no action that would adversely affect the eligibility of the Project as a CWSRF project or cause a violation of any Loan covenant in this Agreement.

(7) The Borrower shall undertake the Project, request disbursements under this Loan Agreement, and use the Loan proceeds in full compliance with all applicable laws and regulations of the State of Oregon, including but not limited to ORS Chapter 468 and Oregon Administrative Rules Sections 340-054-0005 to 340-054-0065, as they may be amended from time to time, and all applicable federal authorities and laws and regulations of the United States, including but not limited to Title VI of the Clean Water Act as amended by the Water Quality Act of 1987, Public Law 100-4, the federal cross-cutters listed at APPENDIX D, the equal employment opportunity provisions in APPENDIX F, and the regulations of the U.S. Environmental Protection Agency, all as they may be amended from time to time.



(8) The Borrower shall keep the Facility in good repair and working order at all times and operate the Facility in an efficient and economical manner. The Borrower shall provide the necessary resources for adequate operation, maintenance and replacement of the Project and retain sufficient personnel to operate the Facility.

(9) Interest paid on this Loan Agreement is *not* excludable from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). However, DEQ may have funded this Loan with the proceeds of State bonds that bear interest that is excludable from gross income under Section 103(a) of the Code. Section 141 of the Code requires that the State not allow the proceeds of the State bonds to be used by private entities (including the federal government) in such a way that the State bonds would become "private activity bonds" as defined in Section 141 of the Code. To protect the State bonds the Borrower agrees that it shall not use the Loan proceeds or lease, transfer or otherwise permit the use of the Project by any private person or entity in any way that that would cause this Loan Agreement or the State bonds to be treated as "private activity bonds" under Section 141 of the Code and the regulations promulgated under that Section of the Code.

**(B) DEBT SERVICE COVERAGE REQUIREMENT; WASTEWATER RATE COVENANT; REPORTING.**

(1) Debt Service Coverage Requirement. The Borrower shall maintain wastewater rates and charge fees in connection with the operation of the Facility that are adequate to generate Net Operating Revenues in each fiscal year sufficient to pay (i) all debt service (excluding debt service on the Loan), (ii) all other financial obligations imposed in connection with prior lien obligations of the Borrower, and (iii) an amount equal to the debt service coverage factor of 105% multiplied by the debt service payments due under this Loan Agreement in that fiscal year.

(2) Wastewater Rate Adjustments. The Borrower shall review its wastewater rates and fees at least annually. If, in any fiscal year, the Borrower fails to collect fees sufficient to meet the debt service coverage requirement described in ARTICLE 5(B)(1), the Borrower shall promptly adjust its wastewater rates and fees to assure future compliance with such coverage requirement. The Borrower's adjustment of the wastewater rates and fees does not constitute a cure of any default by the Borrower of the debt service coverage requirement set forth in ARTICLE 5(B)(1). The Borrower's failure to adjust rates shall not, at the discretion of DEQ, constitute a default if the Borrower transfers to the fund that holds the Net Operating Revenues unencumbered resources in an amount equal to the revenue deficiency to the Facility that produces the Net Operating Revenues.

(3) Reporting Requirement. By December 31 of each year the Borrower shall provide DEQ with a report that demonstrates the Borrower's compliance with the requirements of this ARTICLE 5(B). If the audit report described in ARTICLE 5(F) identifies the Net Operating Revenues and contains a calculation demonstrating the Borrower's satisfaction of the requirements of this ARTICLE 5(B), that audit will satisfy the requirements of this ARTICLE 5(B)(3).

**(C) LOAN RESERVE REQUIREMENT; LOAN RESERVE ACCOUNT.**

(1) Loan Reserve Requirement. The Loan reserve requirement equals 100% times one-half of the average annual debt service based on the final repayment schedule. Until the Final Loan Amount is calculated, the Loan reserve requirement is \$30,124. The Borrower shall deposit the Loan reserve requirement amount into the Loan Reserve Account no later than the date the first payment is due hereunder.

(2) Loan Reserve Account. The Borrower shall create a segregated Loan Reserve Account that shall be held in trust for the benefit of DEQ. The Borrower hereby grants to DEQ a security interest in and irrevocably pledges the Loan Reserve Account to pay the amounts due under this Loan Agreement. The funds in Loan Reserve Account so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The Borrower represents and warrants that the pledge of the Loan Reserve Account hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Borrower shall use the funds in the Loan Reserve Account solely to pay amounts due hereunder until the principal, interest, fees, and any other amounts due hereunder have been fully paid.

(3) Additional Deposits. If the balance in the Loan Reserve Account falls below the Loan reserve requirement, the Borrower shall promptly deposit from the first Net Operating Revenues available after payment of the amounts due hereunder (unless the Borrower has previously made such deposit from other money of the Borrower) an amount sufficient to restore the balance up to the Loan reserve requirement.

**(D) INSURANCE.** At its own expense, the Borrower shall, during the term of this Agreement, procure and maintain insurance coverage (including, but not limited to, hazard, flood and general liability insurance) adequate to protect DEQ's interest and in such amounts and against such risks as are usually insurable in connection with similar projects and as is usually carried by entities operating similar facilities. The insurance shall be with an entity which is acceptable to DEQ. The Borrower shall provide evidence of such insurance to DEQ. Self insurance maintained pursuant to a recognized municipal program of self-insurance will satisfy this requirement.

**(E) INDEMNIFICATION.** *The Borrower shall, to the extent permitted by law and the Oregon Constitution, indemnify, save and hold the State, its officers, agents and employees harmless from and (subject to ORS Chapter 180) defend each of them against any and all claims, suits, actions, losses, damages, liabilities, cost and expenses of any nature whatsoever resulting from, arising out of or relating to the acts or omissions of the Borrower or its officers, employees, subcontractors or agents in regard to this Agreement or the Project.*

**(F) THE BORROWER'S FINANCIAL RECORDS; FINANCIAL REPORTING REQUIREMENTS.**

(1) Financial Records. The Borrower shall keep proper and complete books of record and account and maintain all fiscal records related to this Agreement, the Project, and the Facility in accordance with generally accepted accounting principles, generally accepted government accounting standards, the requirements of the Governmental Accounting Standards Board, and state minimum standards for audits of municipal corporations. The Borrower must maintain separate Project accounts in accordance with generally accepted government accounting standards promulgated by the Governmental Accounting Standards Board. The Borrower will permit DEQ and the Oregon Secretary of State and their representatives to inspect its properties, and all work done, labor performed and materials furnished in and about the Project, and DEQ, the Oregon Secretary of State and the federal government and their duly authorized representatives shall have access to the Borrower's fiscal records and other books, documents, papers, plans and writings that are pertinent to this Agreement to perform examinations and audits and make excerpts and transcripts and take copies.

(2) Record Retention Period. The Borrower shall retain and keep accessible files and records relating to the Project for at least six (6) years (or such longer period as may be required by applicable law) after Project completion as determined by DEQ and financial files and records until all amounts due under this Loan Agreement are fully repaid, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Agreement, whichever date is later.

(3) Audit. Federal enabling legislation and applicable regulations require an audit of each CWSRF Loan. The Borrower agrees to provide to DEQ the following.

(a) As soon as possible, but in no event later than six (6) months following the Project Completion Date, a full and complete accounting of the Costs of the Project, including but not limited to documentation to support each cost element and a summary of the Costs of the Project and the sources of funding; and

(b) As soon as possible, but in no event later than nine (9) months after the end of each fiscal year, a copy of the Borrower's annual audit report, if requested by DEQ.

(4) Single Audit Act Requirements. The CWSRF Program receives capitalization grants through the Catalog of Federal Domestic Assistance ("CFDA") No. 66.458: Capitalization Grants for State Revolving Funds and is subject to the regulations of the U.S. Environmental Protection Agency ("EPA"). Borrower is a sub-recipient..

(a) Subrecipients receiving federal funds in excess of \$750,000 in the subrecipient's fiscal year are subject to audit conducted in accordance with the provisions of 2 CFR part 200, subpart F. The Borrower, if subject to this requirement, shall at its own expense submit to DEQ a copy of, or electronic link to, its annual audit subject to this requirement covering the funds expended under this Agreement and shall submit or cause to be submitted to DEQ the annual audit

of any subrecipient(s), contractor(s), or subcontractor(s) of the Borrower responsible for the financial management of funds received under this Agreement.

(b) Audit costs for audits not required in accordance with 2 CFR part 200, subpart F are unallowable. If the Borrower did not expend \$750,000 or more in Federal funds in its fiscal year, but contracted with a certified public accountant to perform an audit, costs for performance of that audit shall not be charged to the funds received under this Agreement.

(c) The Borrower shall save, protect and hold harmless DEQ from the cost of any audits or special investigations performed by the Federal awarding agency or any federal agency with respect to the funds expended under this Agreement. The Borrower acknowledges and agrees that any audit costs incurred by the Borrower as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between the Borrower and the State of Oregon.

**(G) DBE GOOD FAITH EFFORT.** Pursuant to the good faith efforts described in APPENDIX C, the Borrower shall make a good faith effort to promote fair share awards to Minority Business Enterprises (“MBE”), Women's Business Enterprises (“WBE”), and Small Businesses in Rural Areas (“SBRA”) on all contracts and subcontracts awarded as part of the Project. The Borrower agrees to include, in its contract(s) with its prime contractor(s), the following language, which must not be altered in any way:

“The contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies.”

The Borrower also agrees to include, in its contract(s) with its prime contractor(s), and shall cause each contract awarded by its prime contractor(s) to include, language to the following effect (the exact language may vary):

- (1) A prime contractor must pay its subcontractor(s) no more than 30 days from the prime contractor's receipt of payment from the Borrower.
- (2) The Borrower must be notified in writing by its prime contractor prior to any termination of a DBE subcontractor for convenience by the prime contractor.
- (3) If a DBE subcontractor fails to complete work under the subcontract for any reason, the prime contractor must employ the Six Good Faith Efforts as described in 40 C.F.R. 33.301 if soliciting a replacement subcontractor.
- (4) A prime contractor must employ the Six Good Faith Efforts even if the prime contractor has achieved its Fair Share Objectives under Subpart D of 40 C.F.R. Part 33.

**(H) CONTRACT LANGUAGE.** The Borrower shall include in all contracts (unless exempt) with its prime contractor(s) the language set forth in APPENDIX F. Further, the Borrower agrees to fully comply with Subpart C of 2 C.F.R. 180 and Subpart C of 2 C.F.R. 1532 regarding debarment and suspension and agrees to include or cause to be included in any contract at any tier the requirement that a contractor comply with Subpart C of 2 C.F.R. 180 and Subpart C of 2 C.F.R. 1532 if the contract is expected to equal or exceed \$25,000.

**(I) PROJECT ASSURANCES.** Nothing in this Loan Agreement prohibits the Borrower from requiring more assurances, guarantees, indemnity or other contractual requirements from any party performing Project work.

**ARTICLE 6: REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS RELATING TO CONSTRUCTION PROJECTS ONLY**

**(A) THE BORROWER'S REPRESENTATION AND WARRANTY REGARDING COSTS ALREADY INCURRED.**

**(1)** The Borrower represents and warrants to DEQ that, as of the date of this Loan Agreement, the Costs of the Project actually incurred by the Borrower for construction, do not exceed \$218,000.

**(2)** The Borrower acknowledges that DEQ is relying upon the Borrower's representation regarding the amount of Costs of the Project incurred by the Borrower for construction prior to the date of this Loan Agreement as set forth in ARTICLE 6(A)(1) above to determine what portion of the Loan qualifies as a "refinancing" under the EPA's Clean Water State Revolving Fund regulations, 40 C.F.R. Part 35, that may be disbursed on a reimbursement basis.

**(B) CONDITION TO DISBURSEMENTS.** DEQ's obligation to make disbursements hereunder is further conditioned on the following:

**(1)** The Borrower's plans, specifications and related documents for the Project shall be reviewed and approved by DEQ, as required by OAR Chapter 340, Division 054.

**(2)** The Borrower has submitted documentation satisfactory to DEQ that the disbursement is for work that complies with plans, specifications, change orders and addenda approved by DEQ, in accordance with OAR Chapter 340, Division 054.

**(3)** The Borrower has submitted a copy of the awarded contract and bid documents (including a tabulation of all bids received) to DEQ for the portion of the Project costs that will be funded with the disbursement.

(C) **GENERAL PROVISIONS.** The Borrower covenants with DEQ that:

(1) Construction Manual. Unless stated otherwise in this Agreement, the Borrower shall comply with the requirements set forth in the Manual as in effect from time to time. DEQ will provide the Borrower with a copy of the Manual upon request.

(2) Plans and Specifications. The Borrower shall obtain DEQ's review and approval of the Borrower's plans, specifications, and related documents for the Project, as required by OAR Chapter 340, Division 054, prior to any disbursement of Loan proceeds hereunder.

(3) Change Orders. The Borrower shall submit all change orders to DEQ. The Borrower must submit prior to its execution any change order that exceeds \$100,000 or will alter Project performance. The Borrower shall not use any Loan proceeds to pay for costs of any change order that DEQ has not approved in writing. This ARTICLE 6(C)(3) shall not prevent the Borrower from using funds other than Loan proceeds to pay for a change order before DEQ approves it, but the Borrower bears the risk that DEQ will not approve the change order.

(4) Inspections; Reports. The Borrower shall provide inspection reports during the construction of the Project as required by DEQ to ensure that the Project complies with approved plans and specifications. Qualified inspectors shall conduct these inspections under the direction of a registered civil, mechanical or electrical engineer, whichever is appropriate. DEQ or its representative(s) may enter property owned or controlled by the Borrower to conduct interim inspections and require progress reports sufficient to determine compliance with approved plans and specifications and with the Loan Agreement, as appropriate.

(5) Asbestos and Other Hazardous Materials. The Borrower shall ensure that only persons trained and qualified for removal of asbestos or other Hazardous Materials will remove any asbestos or Hazardous Materials, respectively, which may be part of this Project.

(6) Operation and Maintenance Manual. The Borrower shall submit to DEQ a draft Facility operation and maintenance manual before the Project is fifty percent (50%) complete. The Borrower shall submit to DEQ a final Facility operation and maintenance manual that meets DEQ's approval before the Project is ninety percent (90%) complete.

(7) Project Performance Certification. The Borrower shall submit to DEQ draft performance standards before the Project is fifty percent (50%) complete. The Borrower shall submit to DEQ final performance standards that meet DEQ's approval before the Project is ninety percent (90%) complete. The Borrower shall submit to DEQ the following done in accordance with the Manual: (i) no later than 10.5 months after the Initiation of Operation (as that term is defined in OAR 340-054-0010(26)), a performance evaluation report based on the approved performance standards; (ii) within one year after the Project's Initiation of Operation, Project performance certification statement; and (iii) within two (2) months of submission of such Project performance certification statement, a corrective action plan for any Project deficiencies noted in said statement.

(8) Alterations After Completion. The Borrower shall not materially alter the design or structural character of the Project after completing the Project without DEQ's written approval.

(9) Project Initiation of Operations.

(a) The Borrower shall notify DEQ of the Initiation of Operation no more than thirty (30) days after the actual Project Completion Date.

(b) If the Project is completed, or is completed except for minor items, and the Project is operable, but DEQ has not received a notice of Initiation of Operation from the Borrower, DEQ may assign an Initiation of Operation date.

(D) **PROVISION APPLICABLE TO CONTRACTS AND SUBCONTRACTS AWARDED FOR THE PROJECT**

(1) Davis-Bacon Requirements. All contracts and subcontracts awarded as part of the Project shall comply with (1) the wage requirements of the Davis-Bacon Act, as amended, 40 U.S.C. §§3141 to 3144, 3146 and 3147 (2002), and (2) the requirements of the *Prevailing Wage Rates for Public Works Projects in Oregon* established under ORS 279C.800 through 279C.870 and OAR 839-025-0000 through 839-025-0540. The Borrower agrees that it will insert into any contract in excess of \$2,000 for construction, and will cause its subcontractors to insert in any sub-contract in excess of \$2,000 for construction, the Davis-Bacon language set forth in Part 1 of APPENDIX E, and Part 2 of APPENDIX E as applicable.

(2) Retainage. The Borrower shall require a five percent (5%) retainage in all of its contracts related to the Project for an amount greater than One Hundred Thousand Dollars (\$100,000).

(E) **AMERICAN IRON AND STEEL**

(1) Requirement. All of the iron and steel products used in the Project must be produced in the United States if the Project is for the construction, alteration, maintenance, or repair of a "treatment works" as defined in the federal Water Pollution Control Act, 33 U.S.C. §1381 et seq.

(2) Definition. "Iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(3) Applicability. The requirement set forth in ARTICLE 6(E)(1) above applies if the Loan Agreement is fully executed on or after January 17, 2014 but before October 1, 2014, but does not apply if the engineering plans and specifications for the Project were approved by DEQ prior to January 17, 2014.

(4) Waiver. The requirement set forth in ARTICLE 6(E)(1) above does not apply if: (a) application would be inconsistent with the public interest; (2) iron and steel products that are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or (3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent. Borrower may apply for a waiver of the requirement set forth in ARTICLE 6(E)(1) above by sending a waiver request directly to EPA with a copy to DEQ or by sending its waiver request to DEQ who will then forward it on to EPA.

**ARTICLE 7: DISCLAIMERS BY DEQ; LIMITATION OF DEQ'S LIABILITY**

(A) **DISCLAIMER OF ANY WARRANTY.** DEQ EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING THE PROJECT, THE QUALITY OF MATERIALS SUPPLIED TO AND THAT BECOME A PART OF THE PROJECT, THE QUALITY OF THE WORKMANSHIP PERFORMED UPON THE PROJECT, OR THE EXTENT AND STAGE OF COMPLETION OF THE PROJECT. No such warranty or guarantee shall be implied by virtue of any inspection or disbursement made by DEQ. Any inspection done by DEQ shall be for its sole benefit.

(B) **DISCLAIMER OF LIABILITY OF DEQ.** DEQ EXPRESSLY DISCLAIMS LIABILITY OF ANY KIND OR CHARACTER WHATSOEVER FOR PAYMENT OF LABOR OR MATERIALS OR OTHERWISE IN CONNECTION WITH THE COMPLETION OF THE PROJECT OR CONTRACTS ENTERED INTO BY THE BORROWER WITH THIRD PARTIES FOR THE COMPLETION OF THE PROJECT. All Project costs of labor, materials and construction, including any indirect costs, shall be the responsibility of and shall be paid by the Borrower.

(C) **NONLIABILITY OF STATE.**

(1) The State and its officers, agents and employees shall not be liable to the Borrower or to any other party for any death, injury, damage, or loss that may result to any person or property by or from any cause whatsoever, arising out of any defects in the plans, design drawings and specifications for the Project, any agreements or documents between the Borrower and third parties related to the Project or any activities related to the Project. DEQ shall not be responsible for verifying cost-effectiveness of the Project, doing cost comparisons or reviewing or monitoring compliance by the Borrower or any other party with state procurement laws and regulations.

(2) The Borrower hereby expressly releases and discharges DEQ, its officers, agents and employees from all liabilities, obligations and claims arising out of the Project work or under the Loan, subject only to exceptions previously agreed upon in writing by the parties.



(3) Any findings by DEQ concerning the Project and any inspections or analyses of the Project by DEQ are for determining eligibility for the Loan and disbursement of Loan proceeds only. Such findings do not constitute an endorsement of the feasibility of the Project or its components or an assurance of any kind for any other purpose.

(4) Review and approval of Facilities plans, design drawings and specifications or other documents by or for DEQ does not relieve the Borrower of its responsibility to properly plan, design, build and effectively operate and maintain the Facility as required by law, regulations, permits and good management practices.

#### **ARTICLE 8: DEFAULT AND REMEDIES**

(A) **EVENTS OF DEFAULT.** The occurrence of one or more of the following events constitutes an Event of Default, whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(1) The Borrower fails to make any Loan payment within thirty (30) days after the payment is scheduled to be made according to the repayment schedule;

(2) Any representation or warranty made by the Borrower hereunder was untrue in any material respect as of the date it was made;

(3) The Borrower becomes insolvent or admits in writing an inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the Borrower or a substantial part of its property; or in the absence of such application, consent, or acquiescence, a trustee or receiver is appointed for the Borrower or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement or moratorium or any dissolution or liquidation proceeding is instituted by or against the Borrower and, if instituted against the Borrower, is consented to or acquiesced in by the Borrower or is not dismissed within twenty (20) days;

(4) As a result of any changes in the United States Constitution or the Oregon Constitution or as a result of any legislative, judicial, or administrative action, any part of this Loan Agreement becomes void, unenforceable or impossible to perform in accordance with the intent and purposes of the parties hereto or is declared unlawful;

(5) The Borrower defaults in the performance or observance of any covenants or agreements contained in any loan documents between itself and any lender or lenders, and the default remains uncured upon the expiration of any cure period provided by said loan documents; or

(6) The Borrower fails to cure non-compliance in any material respect with any other covenant, condition, or agreement of the Borrower hereunder, other than as set forth in (1) through (5) above within a period of thirty (30) days after DEQ provides notice of the noncompliance.

**(B) REMEDIES.** If DEQ determines that an Event of Default has occurred, DEQ may, without further notice:

(1) Declare the Outstanding Loan Amount plus any unpaid accrued interest, fees and any other amounts due hereunder immediately due and payable;

(2) Cease making disbursement of Loan proceeds or make some disbursements of Loan proceeds and withhold or refuse to make other disbursements;

(3) Appoint a receiver, at the Borrower's expense, to operate the Facility that produces the pledged revenues and collect the Gross Revenues;

(4) Set and collect utility rates and charges;

(5) Pay, compromise or settle any liens on the Facility or the Project or pay other sums required to be paid by the Borrower in connection with the Project, at DEQ's discretion, using the Loan proceeds and such additional money as may be required. If DEQ pays any encumbrance, lien, claim, or demand, it shall be subrogated, to the extent of the amount of such payment, to all the rights, powers, privileges, and remedies of the holder of the encumbrance, lien, claim, or demand, as the case may be. Any such subrogation rights shall be additional cumulative security for the amounts due under this Loan Agreement;

(6) Direct the State Treasurer to withhold any amounts otherwise due to the Borrower from the State of Oregon and, to the extent permitted by law, direct that such funds be applied to the amounts due DEQ under this Loan Agreement and be deposited into the SRF; and

(7) Pursue any other legal or equitable remedy it may have.

#### ARTICLE 9: DEFINITIONS

**(A) "BORROWER"** means the public agency (as defined in ORS 468.423(2)) shown as the "Borrower" in Article 1(A) of this Agreement.

**(B) "COMPLETION DATE"** means the date on which the Project is completed. If the Project is a planning project, the Completion Date is the date on which DEQ accepts the planning project. If the Project is a design project, the Completion Date is the date on which the design project is ready for the contractor bid process. If the Project is a construction project, the Completion Date is the date on which the construction project is substantially complete and ready for Initiation of Operation.

**(C) "COSTS OF THE PROJECT"** means expenditures approved by DEQ that are necessary to construct the Project in compliance with DEQ's requirements and may include but are not limited to the following items:

- (1) Cost of labor and materials and all costs the Borrower is required to pay under the terms of any contract for the design, acquisition, construction or installation of the Project;
  - (2) Engineering fees for the design and construction of the Project.
  - (3) The costs of surety bonds and insurance of all kinds that may be required or necessary during the course of completion of the Project;
  - (4) The legal, financing and administrative costs of obtaining the Loan and completing the Project; and
  - (5) Any other costs approved in writing by DEQ.
- (D) **“CWSRF PROGRAM” or “CWSRF”** means the Clean Water State Revolving Fund Loan Program, a loan program administered by DEQ under ORS 468.423 to 468.440.
- (E) **“DEQ”** means the Oregon Department of Environmental Quality.
- (F) **“DIRECTOR”** means the Director of DEQ or the Director's authorized representative.
- (G) **“FACILITY”** means all property owned or used by the Borrower to provide wastewater collection, treatment and disposal services, of which the Project is a part.
- (H) **“FINAL LOAN AMOUNT”** means the total of all Loan proceeds disbursed to the Borrower under the Loan Agreement, determined on the date on which the Borrower indicates that no further Loan funds will be requested, all eligible expenditures have been reimbursed from the Loan proceeds, or all Loan proceeds have been disbursed hereunder, whichever occurs first.
- (I) **“GROSS REVENUES”** means all fees and charges resulting from operation of the Facility and any interest earnings thereon; provided however, Gross Revenues does not include: the proceeds of any grants; the proceeds of any borrowings for capital improvements; the proceeds of any liability insurance; or the proceeds of any casualty insurance which the Borrower intends to and does utilize for repair or replacement of the Facility or a part thereof.
- (J) **“HAZARDOUS MATERIALS”** means and includes flammable explosives, radioactive materials, asbestos and substances defined as hazardous materials, hazardous substances or hazardous wastes in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended by the Superfund Amendments and Reauthorization Act (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), and regulations promulgated thereunder.
- (K) **“LOAN”** means the loan made pursuant to this Loan Agreement.
- (L) **“LOAN AGREEMENT” or “AGREEMENT”** means this loan agreement and its exhibits, appendices, schedules and attachments (which are by this reference incorporated herein), and any amendments thereto.

(M) “**LOAN AMOUNT**” means the maximum amount DEQ agrees to loan the Borrower hereunder.

(N) “**LOAN RESERVE ACCOUNT**” means the account described in ARTICLE 5(c)(2).

(O) “**LOBBYING**” means influencing or attempting to influence a member, officer or employee of a governmental agency or legislature in connection with the awarding of a government contract, the making of a government grant or loan or the entering into of a cooperative agreement with such governmental entity or the extension, continuation, renewal, amendment or modification of any of the above.

(P) “**MANUAL**” means the CWSRF Manual for Construction Projects.

(Q) “**NET OPERATING REVENUES**” means the Gross Revenues less the Operating Expenses for the Facility.

(R) “**OPERATING EXPENSES**” means all direct and indirect expenses incurred for operation, maintenance and repair of the Facility, including but is not limited to administrative expenses, legal, financial and accounting expenses, insurance premiums, claims (to the extent that monies are not available from insurance proceeds), taxes, engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the Facility. Operating expenses include an appropriate amount for reserves for repair and replacement of the Facility based on the expected life of the collection, treatment and disposal facilities.

(S) “**OUTSTANDING LOAN AMOUNT**” means, as of any date, the sum of all disbursements to the Borrower hereunder less the sum of all Loan principal payments received by DEQ.

(T) “**PROJECT**” means the facilities, activities or documents described in ARTICLE 1(E) and (F).

(U) “**REPAYMENT PERIOD**” means the repayment period ending on the date specified in ARTICLE 1(H) which date shall not in any event be later than twenty (20) years after the Completion Date.

(V) “**SRF**” means the Water Pollution Control Revolving Fund established under ORS 468.427, also known as the State Revolving Fund.

(W) “**STATE**” means the State of Oregon.

#### ARTICLE 10: MISCELLANEOUS

(A) **NOTICES.** All notices, payments, statements, demands, requests or other communications under this Loan Agreement by either party to the other shall be in writing and shall

be sufficiently given and served upon the other party if delivered by personal delivery, by certified mail, return receipt requested, or by facsimile transmission, and, if to the Borrower, delivered, addressed or transmitted to the location or number listed in ARTICLE 1(B), and if to DEQ, delivered, addressed or transmitted to:

Clean Water State Revolving Fund Loan Program  
Water Quality Division  
Department of Environmental Quality  
811 S.W. Sixth Avenue  
Portland, Oregon 97204-1390  
Fax (503) 229-6037

or to such other addresses or numbers as the parties may from time to time designate. Any notice or other communication so addressed and mailed shall be deemed to be given five (5) days after mailing. Any notice or other communication delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. To be effective against DEQ, such facsimile transmission must be confirmed by telephone notice to DEQ's CWSRF Program Coordinator. Any notice or other communication by personal delivery shall be deemed to be given when actually delivered.

**(B) WAIVERS AND RESERVATION OF RIGHTS.**

(1) DEQ's waiver of any breach by the Borrower of any term, covenant or condition of this Loan Agreement shall not operate as a waiver of any subsequent breach of the same or breach of any other term, covenant, or condition of this Loan Agreement. DEQ may pursue any of its remedies hereunder concurrently or consecutively without being deemed to have waived its right to pursue any other remedy.

(2) Nothing in this Loan Agreement affects DEQ's right to take remedial action, including, but not limited to, administrative enforcement action and action for breach of contract against the Borrower, if the Borrower fails to carry out its obligations under this Loan Agreement.

**(C) TIME IS OF THE ESSENCE.** The Borrower agrees that time is of the essence under this Loan Agreement.

**(D) RELATIONSHIP OF PARTIES.** The parties agree and acknowledge that their relationship is that of independent contracting parties, and neither party hereto shall be deemed an agent, partner, joint venturer or related entity of the other by reason of this Loan Agreement.

**(E) No Third Party Beneficiaries.** DEQ and the Borrower are the only parties to this Loan Agreement and are the only parties entitled to enforce the terms of this Loan Agreement. Nothing in this Loan Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Loan Agreement. Any inspections, audits, reports or other assurances done or obtained, or approvals or consents given, by DEQ are for its benefit only for the purposes of administering this Loan and the CWSRF Program.

**(F) ASSIGNMENT.** DEQ shall have the right to transfer the Loan or any part thereof, or assign any or all of its rights under this Loan Agreement, at any time after execution of this Loan Agreement upon written notice to the Borrower. Provisions of this Loan Agreement shall inure to the benefit of DEQ's successors and assigns. This Loan Agreement or any interest therein may be assigned or transferred by the Borrower only with DEQ's prior written approval (which consent may be withheld for any reason), and any assignment or transfer by the Borrower in contravention of this ARTICLE 10(F) shall be null and void.

**(G) DEQ NOT REQUIRED TO ACT.** Nothing contained in this Loan Agreement requires DEQ to incur any expense or to take any action hereunder in regards to the Project.

**(H) FURTHER ASSURANCES.** The Borrower and DEQ agree to execute and deliver any written instruments necessary to carry out any agreement, term, condition or assurance in this Loan Agreement whenever a party makes a reasonable request to the other party for such instruments.

**(I) VALIDITY AND SEVERABILITY; SURVIVAL.** If any part, term, or provision of this Loan Agreement or of any other Loan document shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by either party, the validity of the remaining portions, terms and provisions shall not be affected, and all such remaining portions, terms and provisions shall remain in full force and effect. Any provision of this Agreement which by its nature or terms is intended to survive termination, including but not limited to ARTICLE 5(E), shall survive termination of this Agreement.

**(J) NO CONSTRUCTION AGAINST DRAFTER.** Both parties acknowledge that they are each represented by and have sought the advice of counsel in connection with this Loan Agreement and the transactions contemplated hereby and have read and understand the terms of this Loan Agreement. The terms of this Loan Agreement shall not be construed against either party as the drafter hereof.

**(K) HEADINGS.** All headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Loan Agreement.

**(L) ATTORNEYS' FEES AND EXPENSES.** In any action or suit to enforce any right or remedy under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, to the extent permitted by law.

**(M) CHOICE OF LAW; DESIGNATION OF FORUM; FEDERAL FORUM.**

(1) The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

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

(3) Notwithstanding ARTICLE 10(M)(2), if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This ARTICLE 10(M)(3) applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This ARTICLE 10(M)(3) is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

(N) **COUNTERPARTS.** This Loan Agreement may be executed in any number of counterparts, each of which is deemed to be an original, but all together constitute but one and the same instrument.

(O) **ENTIRE AGREEMENT; AMENDMENTS.** This Loan Agreement, including all appendices and attachments that are by this reference incorporated herein, constitutes the entire agreement between the Borrower and DEQ on the subject matter hereof, and it shall be binding on the parties thereto when executed by all the parties and when all approvals required to be obtained by DEQ have been obtained. This Loan Agreement, including all related Loan documents and instruments, may not be amended, changed, modified, or altered without the written consent of the parties.

**CITY OF WARRENTON**

By: \_\_\_\_\_  
Authorized Officer

\_\_\_\_\_  
Date

Typed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**STATE OF OREGON ACTING BY AND THROUGH ITS  
DEPARTMENT OF ENVIRONMENTAL QUALITY**

By: \_\_\_\_\_  
Lydia Emer, Operations Division Administrator

\_\_\_\_\_  
Date

APPENDIX A: PRELIMINARY REPAYMENT SCHEDULE

Due Date	Pmt#	----- PAYMENT -----				Principal Balance
		Principal	Interest	Fees	Total	
						1,420,304
8/1/2019	1	0	56,693	0	17,117	1,420,304
2/1/2020	2	19,376	10,297	7,102	36,775	1,400,928
8/1/2020	3	19,516	10,157	0	29,673	1,381,412
2/1/2021	4	19,658	10,015	6,907	36,580	1,361,754
8/1/2021	5	19,800	9,873	0	29,673	1,341,954
2/1/2022	6	19,944	9,729	6,710	36,383	1,322,010
8/1/2022	7	20,088	9,585	0	29,673	1,301,922
2/1/2023	8	20,234	9,439	6,510	36,183	1,281,688
8/1/2023	9	20,381	9,292	0	29,673	1,261,307
2/1/2024	10	20,529	9,144	6,307	35,980	1,240,778
8/1/2024	11	20,677	8,996	0	29,673	1,220,101
2/1/2025	12	20,827	8,846	6,101	35,774	1,199,274
8/1/2025	13	20,978	8,695	0	29,673	1,178,296
2/1/2026	14	21,130	8,543	5,891	35,564	1,157,166
8/1/2026	15	21,284	8,389	0	29,673	1,135,882
2/1/2027	16	21,438	8,235	5,679	35,352	1,114,444
8/1/2027	17	21,593	8,080	0	29,673	1,092,851
2/1/2028	18	21,750	7,923	5,464	35,137	1,071,101
8/1/2028	19	21,908	7,765	0	29,673	1,049,193
2/1/2029	20	22,066	7,607	5,246	34,919	1,027,127
8/1/2029	21	22,226	7,447	0	29,673	1,004,901
2/1/2030	22	22,387	7,286	5,025	34,698	982,514
8/1/2030	23	22,550	7,123	0	29,673	959,964
2/1/2031	24	22,713	6,960	4,800	34,473	937,251
8/1/2031	25	22,878	6,795	0	29,673	914,373
2/1/2032	26	23,044	6,629	4,572	34,245	891,329
8/1/2032	27	23,211	6,462	0	29,673	868,118
2/1/2033	28	23,379	6,294	4,341	34,014	844,739
8/1/2033	29	23,549	6,124	0	29,673	821,190
2/1/2034	30	23,719	5,954	4,106	33,779	797,471
8/1/2034	31	23,891	5,782	0	29,673	773,580
2/1/2035	32	24,065	5,608	3,868	33,541	749,515
8/1/2035	33	24,239	5,434	0	29,673	725,276
2/1/2036	34	24,415	5,258	3,626	33,299	700,861
8/1/2036	35	24,592	5,081	0	29,673	676,269
2/1/2037	36	24,770	4,903	3,381	33,054	651,499
8/1/2037	37	24,950	4,723	0	29,673	626,549
2/1/2038	38	25,131	4,542	3,133	32,806	601,418
8/1/2038	39	25,313	4,360	0	29,673	576,105
2/1/2039	40	25,496	4,177	2,881	32,554	550,609
8/1/2039	41	25,681	3,992	0	29,673	524,928
2/1/2040	42	25,867	3,806	2,625	32,298	499,061
8/1/2040	43	26,055	3,618	0	29,673	473,006
2/1/2041	44	26,244	3,429	2,365	32,038	446,762



8/1/2041	45	26,434	3,239	0	29,673	420,328
2/1/2042	46	26,626	3,047	2,102	31,775	393,702
8/1/2042	47	26,819	2,854	0	29,673	366,883
2/1/2043	48	27,013	2,660	1,834	31,507	339,870
8/1/2043	49	27,209	2,464	0	29,673	312,661
2/1/2044	50	27,406	2,267	1,563	31,236	285,255
8/1/2044	51	27,605	2,068	0	29,673	257,650
2/1/2045	52	27,805	1,868	1,288	30,961	229,845
8/1/2045	53	28,007	1,666	0	29,673	201,838
2/1/2046	54	28,210	1,463	1,009	30,682	173,628
8/1/2046	55	28,414	1,259	0	29,673	145,214
2/1/2047	56	28,620	1,053	726	30,399	116,594
8/1/2047	57	28,828	845	0	29,673	87,766
2/1/2048	58	29,037	636	439	30,112	58,729
8/1/2048	59	29,247	426	0	29,673	29,482
2/1/2049	60	29,482	214	147	29,843	0
TOTALS		<u>1,420,304</u>	<u>387,119</u>	<u>115,748</u>	<u>1,923,171</u>	

**APPENDIX B: ESTIMATED CWSRF LOAN DISBURSEMENT SCHEDULE**

Loan funds are expected to be available based on the following Project schedule:

1	192,030	6/1/2016
2	192,030	9/1/2016
3	192,030	12/1/2016
4	192,030	3/1/2017
5	192,030	6/1/2017
6	192,030	9/1/2017
7	192,030	12/1/2017
8	192,030	3/1/2018
9	192,030	6/1/2018
10	192,030	9/1/2018

**APPENDIX C: DBE GOOD FAITH EFFORTS**

At a minimum the Borrower or its prime contractor must take six affirmative steps (which apply to any procurement of construction, supplies, equipment or services) to demonstrate good faith effort to utilize minority (MBE), women-owned (WBE) and small (SBE) businesses. The six steps are:

- 1) To include qualified small, minority and women's businesses on solicitation lists;
- 2) To assure that small, minority, women's businesses are solicited whenever they are potential sources;
- 3) To divide total requirements, whenever economically feasible, into smaller tasks or quantities to permit maximum participation by small, minority or women's businesses;
- 4) To establish delivery schedules whenever the requirements of the work permit, which will encourage participation by small, minority and women's businesses;
- 5) To use the services and assistance of the Small Business Administration (<http://pro-net.sba.gov>) and the Office of Minority Business Enterprise of the U.S. Department of Commerce (<http://www.mbda.gov>) to identify appropriate small, minority and women businesses; and
- 6) To require subcontractors to take all of the affirmative action steps described above and set forth in 40 CFR 35.3145(d) in any contract awards or procurements.

The Borrower shall, and shall cause its contractors to, document compliance with the above requirements on forms found at Tab 6 of the Manual for Construction Projects.

Additional resources available to recipients and contractors include the following:

EPA Office of Small and Disadvantaged Business Utilization:

Phone: 206 – 553 – 2931

Web Site: [www.epa.gov/osdbu](http://www.epa.gov/osdbu)

Oregon Office of Minority, Women and Emerging Small Business

350 Winter Street N.E., Room 300

Salem, OR 97301-3878

Phone: 503 – 947 – 7922

Web Site: [www.cbs.state.or.us/omwesb](http://www.cbs.state.or.us/omwesb)

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**APPENDIX D: Reserved**

**APPENDIX E: DAVIS-BACON PROVISION**

Part 1

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, [www.dol.gov](http://www.dol.gov).

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The subrecipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required

by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).



(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be



greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed

on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Oregon Department of Environmental Quality and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## 5. Compliance Verification

(a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Subrecipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The subrecipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at [http://www.dol.gov/whd/contact\\_us.htm](http://www.dol.gov/whd/contact_us.htm).

**APPENDIX F**  
**EQUAL EMPLOYMENT OPPORTUNITY**

During the performance of this contract the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- (7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however*, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

**APPENDIX G: CERTIFICATION REGARDING LOBBYING  
(Contracts in Excess of \$100,000.00)**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signed \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Recipient \_\_\_\_\_

APPENDIX H

**Information required by 2 CFR § 200.331(a)(1)<sup>1</sup>**

Federal Award Identification:

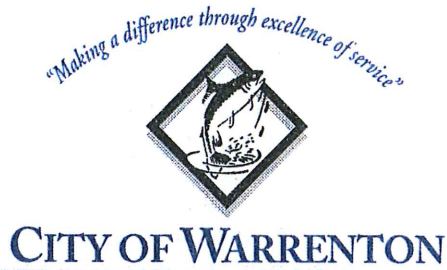
- (i) Subrecipient name (which must match registered name in DUNS): \_\_\_\_\_
- (ii) Subrecipient's DUNS number: \_\_\_\_\_
- (iii) Federal Award Identification Number (FAIN): \_\_\_\_\_
- (iv) Federal award date: \_\_\_\_\_
- (v) Sub-award period of performance, start and end date: from \_\_\_\_\_ to \_\_\_\_\_
- (vi) Total Amount of Federal funds obligated by this Agreement: \$ \_\_\_\_\_
- (vii) Total Amount of Federal funds obligated to the Subrecipient by the pass-through entity including this Agreement<sup>2</sup>: \$ \_\_\_\_\_
- (viii) Total amount of Federal award committed to the Subrecipient by the pass-through entity: \$ \_\_\_\_\_
- (ix) Federal award project description: \_\_\_\_\_
- (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity:
  - (a) Name of Federal awarding agency: U.S. Environmental Protection Agency
  - (b) Name of pass-through entity: Oregon Department of Environmental Quality
  - (c) Contact information for awarding official of the pass-through entity: \_\_\_\_\_
- (xi) CFDA number and name: 66.458: Capitalization Grants for State Revolving Funds Amount: \_\_\_\_\_
- (xii) Is award R&D? \_\_\_\_\_
- (xiii) Indirect cost rate for the Federal award: \_\_\_%

<sup>1</sup> For the purposes of this Appendix I, "Subrecipient" refers to the Borrower and the "pass-through entity" refers to DEQ

<sup>2</sup> This amount is the amount of federal funds obligated to Borrower by DEQ during the current State fiscal year.



6-F



## AGENDA MEMORANDUM

TO: The Warrenton City Commission  
FROM: Linda Engbretson, CMC, City Recorder/Asst. to the City Manager  
DATE: February 9, 2016  
SUBJ: Speaker Timer Clocks

### SUMMARY

My request for information on Speaker Time Clocks from other cities through the Oregon Association of Recorder's Listserv resulted in two responses – both use the Limitimer Pro-2000 with good reviews. This is the tri color Red-Yellow-Green type timer to indicate various phases of allocated speaking time. The DSAN Limitimer lists several options for accessories, including in addition to the podium display an audience signal light with the tri color lights and/or digital display. There are a couple of much simpler options included in the packet as well.

### RECOMMENDATION/SUGGESTED MOTION

Based on feedback from other cities and product reviews, I recommend purchasing the Limitimer product. It appears the standard system without extras could be purchased for around \$1,000 (I suggest adding the carrying and storage case as it's likely we will need to use either the community center or

other location for large public hearings, i.e., LNG). A wireless version could be purchased for around \$1,250. Extra podium lights or audience signal lights will add an extra \$500 to \$1,000 depending on the Commission's choice.

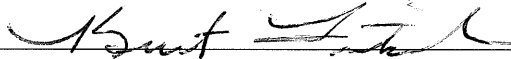
**ALTERNATIVE**

Other action as deemed appropriate by the City Commission

**FISCAL IMPACT**

This expense was not included in the 2015-2016 budget. If the Commission chooses to move forward with a purchase in this fiscal year, the City Manager will need to review the budget to determine if/where there is flexibility in any of the administration/commission budget line items.

Approved by City Manager: \_\_\_\_\_



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

Other B&H Sites - Gov, EDU & Corp. ▾

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The Professional's Source

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Ends in 10:35:29



\$39<sup>99</sup>  
Save \$60\*



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Home / A/V Presentation / Lecterns, Podiums & Timers / Lecterns Add-On Accessories / DSAN Corp. PRO-2000

# DSAN Corp. Limitimer PRO-2000

B&H # DSLTP2000 • MFR # PRO-2000



### IN STOCK

Order in the next 02:36:28 hours to ship

Today ⓘ

Free Expedited Shipping

### PRODUCT HIGHLIGHTS

- Automated Speaker Timer System
- 4 Time Programs
- Beep / Blink / Beep-Blink Cue Options
- Global Timer Options

Show more

★★★★★ Reviews 2 | Q&A 1

You Pay: **\$789.80**

1 QTY

Add to Cart

Add to Wish List

Questions? Ask our experts:

800.296.6142 [Live Chat](#)

Like 0

Google+ 0

Email Print

## Recommended Accessories



DSAN Corp. Storage Case (Limitimer)  
**\$94.95**  
Add to Cart



Pearstone 0.5 x 6" Touch Fastener  
**\$6.99**  
Add to Cart



ProTapes Gaffer Cloth Tape - Matte  
**\$14.49**  
Add to Cart

OVERVIEW

SPECS

REVIEWS 2

Q&A 1

ACCESSORIES

# OVERVIEW

The **D'San Limitimer PRO-2000** is an automated speaker timer system that provides an ideal time-keeping solution during presentations. With 4 programmable time modes that provide total time, remaining time, sum-up time, and beep / blink settings, the timer provides versatile cue options via beep, blink, or beep-blink combinations.

Global timer options include count-up or count-down, stop-clock or continuous count, minutes : seconds or hours : minutes, and ring / buzz / chime-based audible cues. You can connect two Limitimer consoles to one or more signal lights and configure them to allow start and stop control.

The Limitimer PRO-2000 system includes the timer console, PSL20V remote signal light, 50' (15.24m) CAT-5 cable, and a 110/220V external power supply.

Automated speaker timer system that provides an ideal time-keeping solution during presentations

Provides total time, remaining time, sum-up time, and beep / blink settings via 4 programmable time modes

Provides versatile cue options via beep, blink, or beep-blink combinations

Offers global timer options that include count-up or count-down, stop-clock or continuous count, minutes : seconds or hours : minutes, and ring / buzz / chime-

## In the Box

---

DSAN Corp. Limitimer PRO-2000

PSL20V Remote Signal Light

50' (15.24m) CAT-5 Cable

110/220V external power supply

1-year Warranty

# SPECIFICATIONS

Power Supply	110 / 220 V
--------------	-------------

## Packaging Info

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Package Weight	4.2 lb
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Box Dimensions (LxWxH)	12.0 x 10.0 x 9.0"
---------------------------	--------------------

# REVIEWS

Overall Rating: 4.5 (based on 2 reviews)

[WRITE A REVIEW](#)

Reviewed by 2 customers

Sort by Newest 

By **AV WIRED**  
from Charleston SC

5/6/2015

About Me  
**Midrange Shopper**

### The best speaker timer on the market

The best timer for keeping speakers on track...



Super easy to operate!!

You will need to purchase a separate stand for the large display timer to get it up higher for larger rooms

**Yes, I would recommend this to a friend**

Was this review helpful? [Yes](#) / [No](#) - You may also [flag this review](#)

[Share this review](#)

By **Mike**  
from Spokane, WA

*(0 of 1 customers found this review helpful)*

7/30/2013

About Me  
**High-end Shopper**

### Simple & Lightweight

Easy to set up & use right out of the box. The XLR adapter is very useful for long runs. The small light box is easy to conceal.



## Q&A

### Top Questions

---

A purchase request of DSAN Corp. Limitimer PRO-2000. It's mailed from Japan. \* Are they able to ship it off to Japan? \* When being possible, please tell me the charge including hairyou.

Fukumoto T. on Apr 22 2015

[+ Show Answer](#)



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**limitimer - prices**

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- Signal Lights
- Accessories
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- Applications
- Prices
- PC-Based
- FAQ
- Technical Documents



▪ The TimePrompt

Part No.	Description	Price
<b>Limitimer Complete Systems</b>		
PRO-2000	System includes Timer, Podium Signal Light and 50' cable*. Includes XLR jack for signal light connections with popular, flat-laying XLR audio cable.	<b>\$ 857.00</b>
PRO-2000T	Limitimer System without the remote signal light.	<b>\$ 649.00</b>
PRO-2000BT	A wireless version of the PRO-2000 built on a Bluetooth® communications protocol. The timer unit has a built-in transmitter. A separate receiver that accepts AC power. Any Limitimer signal light connects to the receiver via Cat 5 cable. Effective range: 200 Ft (70 m).	<b>\$ 1117.00</b>
PRO-2000TBT	A PRO-2000BT without the remote signal light or the remote Bluetooth receiver. May be set as a "Slave" Limitimer PRO-2000BT and be connected to the "Master" to achieve dual control.	<b>\$ 749.00</b>
<b>Signal Lights</b>		
PSL-20V	Extra Podium Signal Light	<b>\$ 208.00</b>
PSL-20VF	Flush mount Podium Signal Light	<b>\$ 194.00</b>
ASL-4	Audience Signal Light with 4" tri color lights	<b>\$ 488.00</b>
ASL-4ND3	Audience Signal Light with 4" digital display and tri color lights	<b>\$ 817.00</b>
ASL-4ND3BT	Audience Signal Light with 4" digital display and tri color lights and integrated Bluetooth® receiver	<b>\$ 917.00</b>
ASL-2ND3	Audience Signal Light with 2" digital display and tri color lights	<b>\$ 420.00</b>
VC-2000	A RJ45-USB dongle and software to display signal light data on large format LCD monitors.	<b>\$ 285.00</b>
RFR-2000	An extra wireless receiver that works with Limitimer PRO-2000RF	<b>\$ 160.00</b>
TR-2000BT	A Bluetooth-based transmitter-receiver kit to make an existing Limitimer wireless	<b>\$ 300.00</b>
<b>Carrying &amp; Storage Cases</b>		
CS-518	Holds Limitimer Complete System	<b>\$ 104.00</b>
CS-827	Holds Limitimer Complete System & Audience Signal Light	<b>\$ 275.00</b>
<b>Cables and Adaptors</b>		
KES-851	Extension Cable for Signal Light 50 ft Cat 5 with modular connectors	<b>\$ 25.00</b>
KES-825	Extension Cable for Signal Light 25 ft Cat 5 with modular connectors	<b>\$ 20.00</b>
KES-882	Adaptor: Male XLR to Modular Cat 5 Jack	<b>\$ 30.00</b>

All items are available on our [Online Shopping Cart](#). You may find it useful to compose your order. You may print out an order and submit payment information by telephone, fax or email. We're friendly and are happy to help with information. See also our [How to Purchase Page](#).

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Use Limitimer at your next meeting!

Call to find out how you can obtain a Limitimer System as a **free 30-day trial demo**.

---

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**Note:International users** - Limitimer will operate on either 110-120 Volt or 220-240 Volt AC current. The timer will be supplied with the appropriate plug for your country. D'San sells direct to users world-wide as well as through dealers. Please contact us for further information.

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#### **Warranty**

Instruments made by D'San Corporation are warranted against defects in materials and workmanship for one year from date of shipment. Any instrument which fails will be restored free of charge. D'San will determine whether the failure was the result of defect or user negligence.



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  - Timer Function
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speaker timers - The TimePrompt®

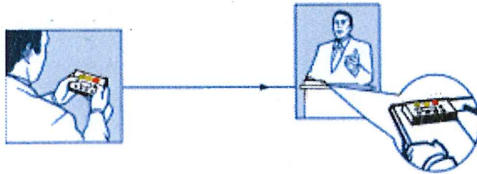
More Info:    

**the TIMEprompt**  
Automated Timekeeper for Meetings and Speeches

The Timeprompt is a battery-powered timer that is ideal for small conference rooms where all participants can see the lights. It is also suitable for speakers who need to practice short presentations.



The Timeprompt triggers green, yellow and red lights in pre-programmed sequences from 15 seconds to 90 minutes. The timer can count-up or count-down, and beep manually or automatically on the light changes. Light sequences can be re-programmed via a free application that runs on a USB-connected PC.



The Timeprompt may be operated by remote control using a second Timeprompt connected by modular Cat5 cable.

\$199 ea. TP-2000



The Timeprompt may be operated by **wireless** remote control using a second\* Timeprompt. Both must be model TP-2000RF. Effective communication distance is 300-feet (100M)!

\*Up to 6 remote TimePrompts (TP-2000BT) may be controlled simultaneously.

\$279 ea. TP-2000BT



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  - The TimePrompt® - prices
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- More Info:    

■ The TimePrompt **The Timeprompt** \$ 199.00  
 ■ Introduction **The Timeprompt - wireless\*** \$ 279.00  
 ■ Timer Function \*Requires 2 TimePrompt wireless units for remote operation  
 ■ Clock Settings Dimensions: 5.25" W x 1.25" H x 3.6" D;  
 ■ Prices Includes 4 "AA" batteries and external 12-volt power supply  
 ■ FAQ



**Note: Battery life** - The Timeprompt uses 4 "AA" batteries. Lights will run for a total of 20 hours. However, the clock will run much longer. When the lights stop working, replace with fresh batteries. The TimePrompt can also run using its included external 12-volt power supply.



Toastmasters International is a world wide network of clubs whose mission is to improve public speaking. Clubs have between 20 and 40 members and meet several times a month. Members have the opportunity to practice delivering speeches in a non-threatening setting and receive constructive feedback. Toastmasters speeches have strictly set times (2-3 minutes, 5-7 minutes, 10-12 minutes, etc.) where a green light comes on at the first number, the yellow light at the intermediate time, and the red light at the second number. In the count-up mode, The Timeprompt incorporates all the Toastmasters time settings.

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IRIG-B Clocks	
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Lean Manufacturing	
Power Supplies	
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Race Clocks	
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PRESENTATION TIMER WITH RED-YELLOW-GREEN (ALZM01A)



ALZATEX

\$517.00

SKU: alzm01a

Weight: 2.30 LBS

Shipping: Calculated at checkout

Extended Warranty:

Standard 1-year warranty, included with every purchase

Quantity

1

ADD TO CART

ADD TO WISHLIST

RELATED PRODUCTS

Presentation Timer w/ Large LED Display (alzm07a)

**\$1,299.00**  
Not Rated Yet

Choose Options



PRODUCT DESCRIPTION

This presentation TimeKeeper™ system includes a TMR017 Count Up/Down Timer, and a RYG11A Red-Yellow-Green LED Display that is visible to the audience.

alzm01a.pdf

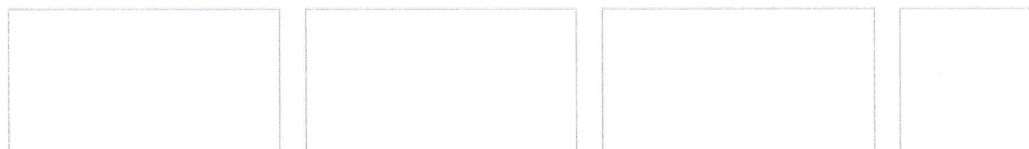
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Table Top R Indicator  
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Standard Phor RJ11  
 \$  
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\$7,869.00 - \$9,836.00

<p><b>\$1,099.00</b> Not Rated Yet</p> <p>Choose Options</p>	<p><b>\$1,099.00</b> Not Rated Yet</p> <p>Choose Options</p>	<p><b>\$999.00</b> Not Rated Yet</p> <p>Choose Options</p>
		
<p>Presentation Timer w/ Large LED Display (alzm07a)</p> <p><b>\$1,299.00</b> Not Rated Yet</p> <p>Choose Options</p>	<p>Presentation Timer w/ Large LED Display (alzm08a)</p> <p><b>\$1,499.00</b> Not Rated Yet</p> <p>Choose Options</p>	<p>Presentation Timer w/ Large LED Display (alzm09a)</p> <p><b>\$1,799.00</b> Not Rated Yet</p> <p>Choose Options</p>
		
<p>Presentation Timer w/ Large LED Display (alzm08a)</p> <p><b>\$649.00</b> Not Rated Yet</p> <p>Choose Options</p>	<p>Five Station Request to Speak System (alzr01)</p> <p><b>\$6,658.00</b> Not Rated Yet</p> <p>Choose Options</p>	<p>Five Station Electronic Voting System (alzr02)</p> <p><b>\$6,658.00</b> Not Rated Yet</p> <p>Choose Options</p>
		
<p>Request to Speak/Electronic Voting System (alzr03)</p> <p><b>\$9,336.00</b> Not Rated Yet</p> <p>Choose Options</p>		

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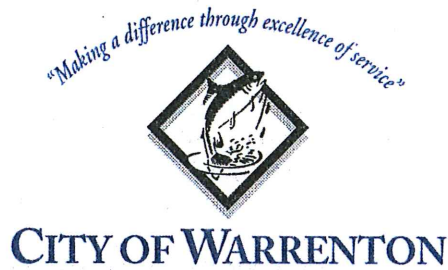
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## AGENDA MEMORANDUM

TO: The Warrenton City Commission

FROM: Linda Engbretson, CMC, City Recorder/Asst. to the City Manager

DATE: February 9, 2016

SUBJ: AREAS OPEN TO MIGRATORY GAME BIRD HUNTING IN THE  
CITY OF WARRENTON

### SUMMARY

In 2014 we began the process to update the City's migratory game bird hunting, as the City's code did not match the Oregon Administrative Rules (OAR). Several meetings with local hunters, law enforcement, Department of Fish and Wildlife (ODFW), staff, and a commission representative were held to develop new approved areas within the city limits. After drafting designated areas, city and state police visited the locales to see if there were any problems with the proposed areas. The City Commission adopted the new hunting zones. ODFW surveyed the proposed areas for new legal descriptions to update their rules.

The attached ordinance will update our municipal code to match the now updated state OARs.

### RECOMMENDATION/SUGGESTED MOTION

*“ I move to conduct the first reading, by title only, of Ordinance No. 1199-A.”*

Conduct First Reading: "*Ordinance No. 1199-A, Describing those Areas within the City of Warrenton Open to Migratory Game Bird Hunting and Repealing Ordinance No. 905-A and 990-A.*"

**ALTERNATIVE**

None recommended

**FISCAL IMPACT**

N/A

Approved by City Manager:



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

ORDINANCE NO. 1199-A

INTRODUCED BY COMMISSIONER: \_\_\_\_\_

DESCRIBING THOSE AREAS WITHIN THE CITY OF WARRENTON  
OPEN TO MIGRATORY GAME BIRD HUNTING  
AND REPEALING ORDINANCE NO. 905-A AND 990-A

WHEREAS, areas within the city limits open to migratory game bird hunting have been reviewed and updated working with local citizens and the state of Oregon Department of Fish and Wildlife; and

WHEREAS, Oregon Administrative Rules Chapter 635-051-0048 Section 1 has been updated to reflect the approved designated migratory game bird hunting areas within the city limits of Warrenton.

NOW THEREFORE, THE CITY OF WARRENTON ORDAINS AS FOLLOWS:

Chapter 12.18.010 of the Warrenton Municipal Code is repealed and replaced with the following:

**Section 1. Designated Areas:**

The Warrenton City Commission designates migratory game bird hunting in those areas as shown in Exhibit "A" hereto attached and as described in the Oregon Administrative Rules, identified as follows:

Beginning at the north abutment of the west landing of the Lewis and Clark River Bridge (Alt. HWY 101), NW 1/4 Section 25, Township 8 Range 10 N, and continue along the city limits at the south edge of the Astoria Regional Airport, southward and westward along Alt. HWY 101 following the city limits to the intersection of SE Airport Lane, then northward and westward following the city limits to their intersection with Adams Slough at a point approximately 375 feet north of Airport Lane (SE 12<sup>th</sup> Pl). Continue in a northerly meander along the western edge of Adams Slough to the Youngs River dike along the north edge of the airport. Left along the dike to Holbrook Slough and south along the eastern edge of Holbrook Slough to the abandoned railroad right of way. Westward along the abandoned railroad right of way to NE King Ave. North along NE King Ave continuing northward until its extension would intersect with the Skipanon Channel. Cross the Skipanon Channel and run northward along the water's edge to the tip of the peninsula north of the lumber mill, then follow west and south along a line approximately 300 feet from the edge of high water to a tide gate on the dike north of the Warrenton Wastewater Treatment Plant. From here, continue northwesterly and northerly below the river side of the dike extending to Tansy Point, then northwesterly through that part of the industrial facility north of Tansy Point to the river side of the highest bank and continuing northwest on the river side of a line defined by the extension of the Warrenton Riverside Trail culminating at the northwestern corner of the BioProducts plant property. From here, the

waterborne boundary theoretically extends outward into the river approximately 2,200 feet to a point where it conforms with the city limits east and south to the point of beginning at the Lewis and Clark River Bridge.

Beginning at a point in the SE 1/4 Section 20, Township 8 Range approximately 80 feet south of the cul de sac of SE Kalmia Ave along the abandoned Wild Ace Lake Road in a southerly meander to the northern end of the southern extension of SE Juniper Ave. Then westerly 500 feet along the south property line of tax lot 810290000200 to the intersection of Delaura Beach Lane and Ridge Road. Continue north along the eastern edge of Ridge Rd. 2,600 feet to the northern property line of said tax lot, thence eastward to the point of beginning south of the Kalmia Ave cul de sac.

Beginning at the intersection of Alt. HWY 101 (HWY 104 Spur) and SE Dolphin Ave., (NW 1/4 Section 28, Township 8 Range 10N) continue south to Highway 101, Southeasterly along Highway 101 to the Skipanon River, and then in a northerly meander along the west bank of the Skipanon to the bridge at Alt. HWY 101 (HWY 104 Spur) then east 650 feet to the point of beginning.

**Section 2. Discharge of Weapons:**

Use of firearms is limited to shotguns for the purpose of hunting migratory game bird in the designated areas, as described above and shown on the attached map (Exhibit A), which is hereby made an integral part of this ordinance and adopted herewith.

**Section 3. Repealed:**

Ordinance Nos. 905-A and 990-A are hereby repealed.

**Section 4. Effective Date:**

This ordinance shall be in full force and effect 30 days after passage.

First Reading: February 9, 2016

Second Reading: February 23, 2016

ADOPTED by the City Commission of the City of Warrenton, Oregon, this 23<sup>rd</sup> Day of February 2016.

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Mark Kujala, Mayor

ATTEST:

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Linda Engbretson, CMC, City Recorder










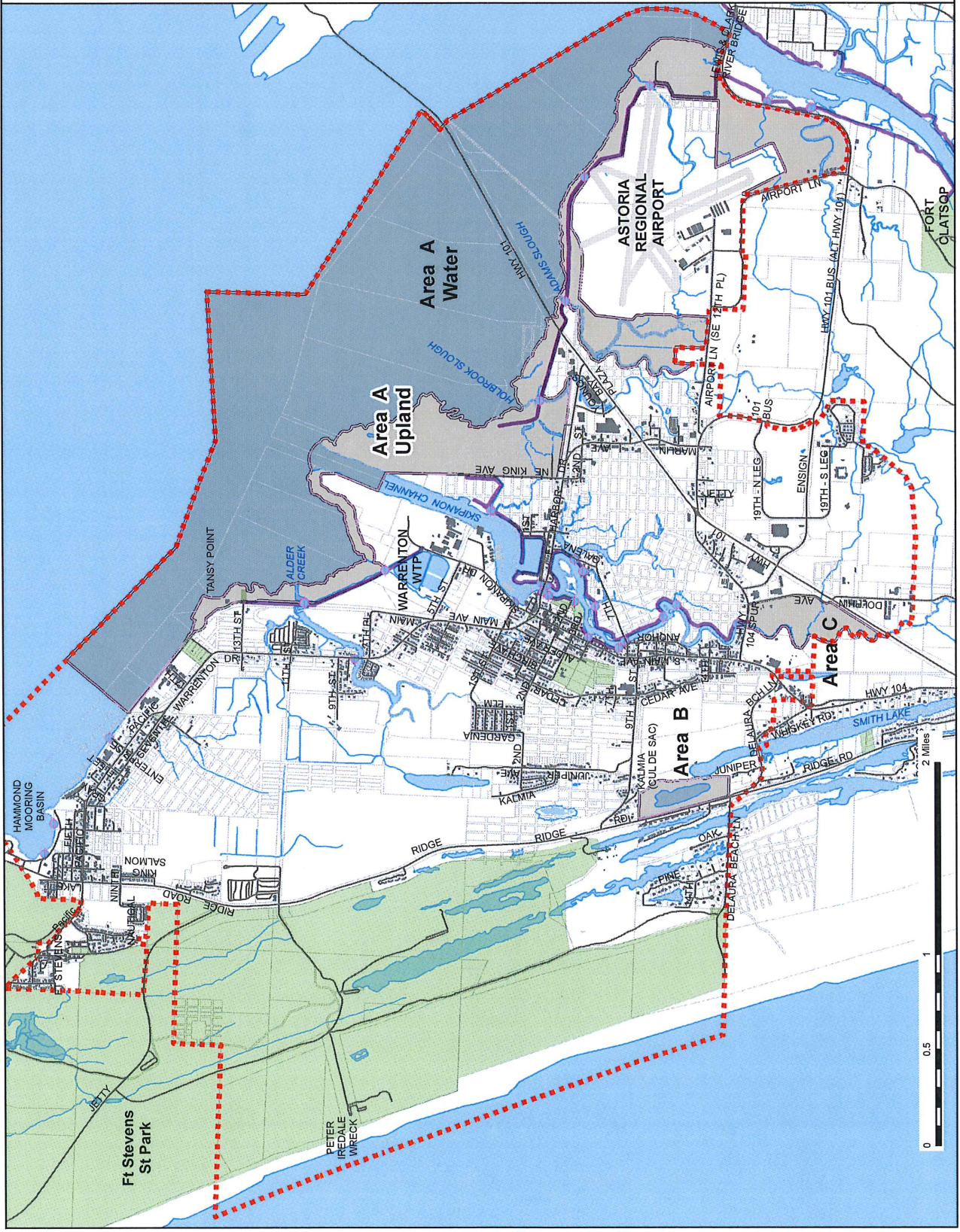
# Warrenton Waterfowl Hunting



Open to Hunting by landowner permission

Exceptions to the prohibition against hunting within city limits apply to the three areas in Warrenton shown here. (A, B, & C)

-  Building Footprints
-  Warrenton City Limits
-  Parks
-  BldgFootprints
-  Dike with Tide Gate







## OREGON ADMINISTRATIVE RULES OREGON DEPARTMENT OF FISH AND WILDLIFE

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### 635-051-0030

#### **Boats and Motor Vehicles**

Stat. Auth.: ORS 496.012, ORS 496.138, ORS 496.146 & ORS 496.162

Stats. Implemented: ORS 496.012, ORS 496.138, ORS 496.146 & ORS 496.162

### 635-051-0035

#### **Decoys and Calls**

Except for purposes of law enforcement or wildlife management, the use of decoys powered by motor, battery, or other self-powered methods is prohibited. Decoys with parts that are moved solely by human action (for example, via a cable or pull-string) or the wind are not affected by this prohibition.

Stat. Auth.: ORS 496.012, ORS 496.138, ORS 496.146 & ORS 496.162

Stats. Implemented: ORS 496.012, ORS 496.138, ORS 496.146 & ORS 496.162

### 635-051-0040

#### **Baiting**

Stat. Auth.: ORS 496.012, ORS 496.138, ORS 496.146 & ORS 496.162

Stats. Implemented: ORS 496.012, ORS 496.138, ORS 496.146 & ORS 496.162

### 635-051-0045

#### **Shooting Hours for Game Birds**

Stat. Auth.: ORS 496.012, ORS 496.138, ORS 496.146 & ORS 496.162

Stats. Implemented: ORS 496.012, ORS 496.138, ORS 496.146 & ORS 496.162

### 635-051-0046

#### **Waste**

Stat. Auth.: ORS 496.012, ORS 496.138, ORS 496.146 & ORS 496.162

Stats. Implemented: ORS 496.012, ORS 496.138, ORS 496.146 & ORS 496.162

### 635-051-0048

#### **Other Restrictions**

Except as provided in section (1)(a), (b), (c), (2) -(6) of this rule, it is unlawful: To hunt within the corporate limits of any city or town, public park or cemetery, or on any campus or grounds of a public school, college, or university or from a public road, road right-of-way, or railroad right-of-way.

(1) Migratory game bird hunting is permitted within the city limits of Warrenton in the following described areas:

Beginning at the north abutment of the west landing of the Lewis and Clark River Bridge (Alt HWY 101), NW ¼ Section 25, Township 8 Range 10 N, and continue along the city limits at the south edge of the Astoria Regional Airport, southward and westward along Alt HWY 101 following the city limits to the intersection of SE Airport Ln, then northward and westward following the city limits to their intersection with Adams Slough at a point approximately 375 feet north of Airport Lane (SE 12th Pl). Continue in a northerly meander along the western edge of Adams Slough to the Youngs River dike along the north edge of the airport. Left along the dike to Holbrook Slough and south along the eastern edge of Holbrook Slough to the abandoned railroad right of way. Westward along the abandoned railroad right of way to NE King Ave. North along NE King Ave continuing northward until its extension would intersect with the Skipanon Channel. Cross the Skipanon Channel and run northward along the water's edge to the tip of the peninsula north of the lumber mill, then follow west and south



## OREGON ADMINISTRATIVE RULES OREGON DEPARTMENT OF FISH AND WILDLIFE

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along a line approximately 300 feet from the edge of high water to a tide gate on the dike north of the Warrenton Wastewater Treatment Plant. From here, continue northwesterly and northerly below the river side of the dike extending to Tansy point, then northwesterly through that part of the industrial facility north of Tansy Point to the river side of the highest bank and continuing northwest on the river side of a line defined by the extension of the Warrenton Riverside Trail culminating at the northwestern corner of the BioProducts plant property. From here, the waterborne boundary theoretically extends outward into the river approximately 2,200 feet to a point where it conforms with the city limits east and south to the point of beginning at the Lewis and Clark River Bridge.

Beginning at a point in the SE ¼ Section 20, Township 8 Range approximately 80 feet south of the cul de sac of SE Kalmia Ave along the abandoned Wild Ace Lake Road in a southerly meander to the northern end of the southern extension of SE Juniper Ave. Then westerly 500 feet along the south property line of tax lot 810290000200 to the intersection of Delaura Beach Lane and Ridge Road. Continue north along the eastern edge of Ridge Rd 2,600 feet to the northern property line of said tax lot, thence eastward to the point of beginning south of the Kalmia Ave cul de sac.

Beginning at the intersection of Alt HWY 101 (HWY 104 Spur) and SE Dolphin Ave., (NW ¼ Section 28, Township 8 Range 10N ) continue south to Highway 101. Southeasterly along Highway 101 to the Skipanon River, and then in a northerly meander along the west bank of the Skipanon to the bridge at Alt HWY 101 (HWY 104 Spur) then east 650 feet to the point of beginning.

(2) Game bird hunting is permitted within the city limits of Dunes City.

(3) Game bird hunting is permitted within the boundary limits of the Klamath Falls Airport.

(4) Waterfowl hunting is permitted in the following portion of Miami Cove lying within the city limits of Garibaldi: That land in the east one-half of the northwest quarter of Section 22, Township 1 North, Range 10 West, Willamette Meridian, lying south of Coast Highway 101, and in the east one-half of the southwest quarter of Section 22, Township 1 North, Range 10 West, lying north and west of Coast Highway 101, provided that no hunting be permitted within 100 yards of any residence or commercial structure.

(5) Waterfowl hunting is allowed within a portion of Coos Bay City limits as described in Coos Bay City Ordinance number 100, section 3(2)(a) as of August 3, 2007.

(6) Waterfowl hunting is allowed within Boardman City limits as described in City of Boardman Resolution 4-2011 as of January 19, 2011.

(7) No person shall take any game bird or destroy the eggs or nests of any game bird without a permit issued by the department.

(8) Notwithstanding the prohibition in paragraph (7):

(a) If registered through the Resident Canada Goose Nest and Egg Registration Site of the U.S. Fish and Wildlife Service (<https://epermits.fws.gov/eRCGR/geSI.aspx>), any person may destroy the eggs or nests of resident Canada geese:

(A) Inside incorporated cities or urban growth boundaries; or

(B) On golf courses, parks or other highly developed recreational areas outside incorporated cities or urban growth boundaries.

(b) The U.S. Fish and Wildlife Service, or anyone issued a depredation permit by the USFWS, may take any migratory game bird, its eggs or nest for the purpose of protecting public health or safety, to address public nuisance or to deal with crop depredation. Any migratory game bird captured for the purpose of translocation must be reported to the department and the translocation site approved by the department prior to release.

Stat. Auth.: ORS 496.012, 496.138, 496.146 & 496.162

Stats. Implemented: ORS 496.012, 496.138, 496.146 & 496.162

6-H

**RESOLUTION NO. 2454**

INTRODUCED BY: All Commissioners

**APPOINTING PERSONS TO FILL POSITIONS ON  
THE WARRENTON BUSINESS ASSOCIATION  
AND SETTING TERMS OF OFFICE**

**BE IT RESOLVED**, by the City Commission that the Warrenton Business Association Members and their terms of office are as follows:

Position No. 1	Darlene Warren	term ending 31, December 2018
Position No. 2	Christine Bridgens,	term ending 31, December 2018
Position No. 3	Jerry McGuffin,	term ending 31, December 2018
Position No. 4	Kristin Talamantez,	term ending 31, December 2016
Position No. 5	Pat O'Grady,	term ending 31, December 2016
Position No. 6	Steve Fulton,	term ending 31, December 2016
Position No. 7	Roxanne Williams,	term ending 31, December 2017
Position No. 8	Mike Moha,	term ending 31, December 2017
Position No. 9	Paul Mitchell,	term ending 31, December 2017

This Resolution shall take effect immediately upon its passage.

**ADOPTED** by the City Commission of the City of Warrenton, Oregon, this 9th day of February, 2016.

**APPROVED:**

\_\_\_\_\_  
**Mark Kujala, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Linda Engbretson, City Recorder**

*"Making a difference through excellence of service"*



**CITY OF WARRENTON**

## AGENDA MEMORANDUM

TO: The Warrenton City Commission  
FROM: Linda Engbretson, CMC, City Recorder/Asst. to the City Manager  
DATE: February 9, 2016 Meeting  
SUBJ: City Manager Salary Adjustment

### SUMMARY

The Commission directed that consideration of a salary adjustment for the City Manager be placed on the Agenda.

### RECOMMENDATION/SUGGESTED MOTION

Any salary adjustment should be made by motion to authorize the Finance Department to adjust Mr. Fritsch's salary.

### ALTERNATIVE

None recommended

### FISCAL IMPACT

Personal Services Administration Budget

Approved by City Manager: \_\_\_\_\_

A handwritten signature in cursive script, which appears to read "Brent Fisher", is written over a horizontal line.

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