AGENDA

Warrenton Urban Renewal Agency

January 24, 2017 – 6:00 p.m.

Warrenton City Hall – Commission Chambers
225 S. Main Ave.
Warrenton, Or 97146

1. CALL TO ORDER
2. ROLL CALL
3. CONSENT CALENDAR
   A. Urban Renewal Agency Minutes – 12.13.16
4. BUSINESS
   A. Auditor's Report for Fiscal Year Ending June 30, 2016
   B. Warrenton Marina Pier Evaluation
5. ADJOURN

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.

3-A

MINUTES
Warrenton Urban Renewal Agency
December 13, 2016

Warrenton City Hall - Commission Chambers
225 S. Main
Warrenton, Or 97146

Chair Mark Kujala convened the Urban Renewal Agency meeting at 8:00 p.m.

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

Agency Staff Present: Executive Director Linda Engbretson, Finance Officer April Clark, Police Chief Mathew Workman, Public Works Director Jim Dunn, Assistant Harbor Master Jane Sweet, Wastewater Superintendent Kyle Sharpsteen, Public Works Foreman Craig Walter and Administrative Assistant Dawne Shaw

CONSENT CALENDAR

A. Urban Renewal Agency Minutes – 7.26.16
B. Urban Renewal Advisory Board Minutes – 6.1.16
C. Urban Renewal Advisory Board Minutes – 9.7.16

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

Dyer – aye; Balensifer – aye; Kujala – aye; Ackley – aye; Newton – aye

Chair Kujala noted there are three positions on the Urban Renewal Advisory Board with terms ending on December 1, 2016; Position 1 – Bob Bridgens, Position 2 – Gerald Poe and Position 3 – Frida Fraunfelder. All have reapplied for reappointment.

Commissioner Balensifer made the motion to reappoint Bob Bridgens to Position No. 1, Gerald Poe to Position No. 2, and Frida Fraunfelder to Position No. 3 on the Warrenton Urban Renewal Advisory Board. Motion was seconded and passed unanimously.

Dyer – aye; Balensifer – aye; Kujala – aye; Ackley – aye; Newton – aye

Harbor Master Jane Sweet gave a brief photo presentation to show the progress on the Warrenton Marina Improvement Project. Brief discussion followed on the dimension and longevity of the

new docks. There was a brief discussion on the docks at the Hammond marina, which is not part of this URA project. The Commission noted they have reviewed the change orders which are outlined in the agenda packet. Executive Director Linda Engbretson noted the excellent job Mr. Forrester does and believes the project will come in under budget. Ms. Engbretson stated the Urban Renewal advisory board recommends that any leftover funds be set aside to continue improvements at the marina.

Commissioner Balensifer made the motion to approve Change Orders 1-6 and the additional project costs as detailed in the Otak memo dated December 1, 2016. Motion was seconded and passed unanimously.

Dyer – aye; Balensifer – aye; Kujala – aye; Ackley – aye; Newton – aye

Executive Director Linda Engbretson presented a contract with OTAK which provides for contract oversight/management of the Warrenton Marina Improvement Project. The total estimate for engineering services is $306,200; the project total is $1,620,000. Tasks 1 – 5, previously approved by the Commission, are complete and have been paid. The previous contract did not include Tasks 6 – 8, which includes Construction Observation, Contract Administration, and Preparation of As-Builts. Ms. Engbretson stated Mr. Forrester has said working with staff and the contractor has been extremely positive and the project has gone smoothly.

Commissioner Dyer made the motion to authorize the URA Chair's signature with OTAK, Inc., for an amount not to exceed $150,000 for the Warrenton Marina Improvements Project – Project Management Services. Motion was seconded and passed unanimously.

Dyer – aye; Balensifer – aye; Kujala – aye; Ackley – aye; Newton – aye

There being no further business Chair Kujala adjourned the URA meeting at 8:18 p.m.

APPROVED:

_____
Mark Kujala, Chair

ATTEST:

_____
Dawne Shaw, Administrative Assistant

4-A

Warrenton Urban Renewal Agency
Agenda Memorandum

To: The Honorable Chair and Members of the Warrenton Urban Renewal Agency
From: April Clark
Finance Director
Date: January 24, 2017

Regarding – Audit for Fiscal Year Ending June 30, 2016

The financial Statements, for the Warrenton Urban Renewal Agency, for the period ending June 30, 2016 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.

This year, the Agency was required to have an audit of its financial data along with prepared, stand alone, financial statements. You will also see data presented in our audited financial statements for the City, as it is a component unit of the City of Warrenton.

A review is required when expenditures are between $150,000 and $500,000. Once expenditures exceed $500,000, an audit is required.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit.

Approved by City Manager: Linda Engbretson

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

WARRENTON URBAN RENEWAL AGENCY

(A COMPONENT UNIT OF THE CITY OF WARRENTON, OREGON)

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

WITH

INDEPENDENT AUDITOR'S REPORT

WARRENTON URBAN RENEWAL AGENCY
For the Year Ended June 30, 2016
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INTRODUCTORY SECTION

WARRENTON URBAN RENEWAL AGENCY
Governing Body and Appointed Officials
June 30, 2016

GOVERNING BODY UNDER ORS 457

Board Chair	Mark Kujala, Mayor
Board Member	Henry Balensifer III
Board Member	Pam Ackley
Board Member	Rick Newton
Board Member	Tom M. Dyer

APPOINTED OFFICIALS

City Manager Pro Tem	Linda Engbretson
City Recorder	Linda Engbretson
City Attorney	Harold Snow

Mailing Address

PO Box 250
Warrenton, Oregon 97146

FINANCIAL SECTION

ISLER CPA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

An Independently Owned Member
McGLADREY ALLIANCE

McGladrey

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
Warrenton Urban Renewal Agency
Warrenton, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Warrenton Urban Renewal Agency ("Agency") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency'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 and each major fund of the Warrenton Urban Renewal Agency, as of June 30, 2016, and the respective changes in financial position, and the respective budgetary comparison for the capital projects fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

1976 Garden Ave., Eugene OR 97403
541.342.5161 www.islercpa.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 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 Agency's basic financial statements. The introductory section and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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 other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 21, 2016 on our consideration of the Warrenton Urban Renewal Agency'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

Paul R Nielson, CPA, a member of the firm
Eugene, Oregon
December 21, 2016

Warrenton Urban Renewal Agency

(a component unit of the City of Warrenton, Oregon)

Management's Discussion and Analysis

As management of the Warrenton Urban Renewal Agency (the Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2016. 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 assets of the Warrenton Urban Renewal Agency exceeded its liabilities at the close of the most recent fiscal year by $2,386,026 (reported as net position).
- At the end of the fiscal year, the Agency's governmental funds had a fund balance of $1,132,974.
- The Warrenton Urban Renewal Agency's total debt issued during the current fiscal year amounted to $180,000 and debt paid during the year amounts to $373,180 which leaves total debt outstanding at the end of the fiscal year at $1,287,007.
- Capital assets increased $95,548 from the prior year.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Warrenton Urban Renewal Agency's basic financial statements. The Agency'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 Agency's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Agency'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 Agency 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). The governmental activities of the Agency include a capital projects fund, a debt service fund, and a debt service reserve fund.

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 Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Agency are categorized as governmental 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 Agency maintains three 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 Capital Projects Fund, Debt Service Fund, and the Debt Service Reserve Fund which are considered to be major funds.

The Warrenton Urban Renewal Agency 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 and schedules for all of the governmental funds have been prepared as part of the basic financial statements or other supplemental information.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by $2,386,026 at the close of the most recent fiscal year.

Table 1
Net Position At June 30, 2016

	Governmental Activities	
	2016	2015
Current and other assets	$ 1,193,995	$ 1,188,964
Capital assets, net	2,509,726	2,414,178
Total assets	3,703,721	3,603,142
Noncurrent liabilities	1,287,007	1,480,186
Other liabilities	30,688	155,784
Total liabilities	1,317,695	1,635,970
Net position:		
Net investment in capital assets	1,264,842	955,840
Restricted	1,121,184	1,011,332
Total net position	$ 2,386,026	$ 1,967,172

The government's net position increased by $418,854 during the current fiscal year.

Table 2
Governmental Activities

	2016	2015
Revenues:		
Taxes	$ 529,922	$ 484,978
Interest	7,706	5,191
Capital grants	-	2,500
Other revenue	250	-
Total revenues	537,878	492,669
Expenses:		
General government	64,443	25,720
Interest on long-term liabilities	54,581	56,545
Total expenses	119,024	82,265
Increase in net position	418,854	410,404
Net position, July 1	1,967,172	1,556,768
Net position, June 30	$ 2,386,026	$ 1,967,172

Governmental activities. Governmental activities increased the Agency's net position by $418,854. The primary element of the change in total net assets are the agency's revenues increased this year by $45,209 and expenses increased by $36,759. The current fiscal year change in net position increased $8,450 over the prior fiscal year.

Financial Analysis of the Agency's Funds

Governmental funds. The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements.

As of the end of the current fiscal year, the Agency's governmental funds reported combined ending fund balances in the amount of $1,132,974, an increase of $131,170 in comparison with the prior year.

Budgetary Highlights

There were no changes to the adopted budget during the fiscal year.

Capital Asset and Debt Administration

Table 3
Capital Assets, net of accumulated depreciation

	2016	2015
Land	$ 1,000,945	$ 1,000,945
Buildings	587,006	602,057
Infrastructure	659,882	682,440
Construction in Progress	261,893	128,736
Total	$ 2,509,726	$ 2,414,178

Capital assets. The Agency's investment in capital assets for its governmental activities as of June 30, 2016, amounts to $2,509,726 which represents an increase of $95,548 from the prior year. This investment in capital assets includes land in the amount of $1,000,945, buildings for the Marina Office/Restrooms in the amount of $587,006, infrastructure improvements for Marina Phase I in the amount of $708,125, and Downtown improvements in the amount of $213,650.

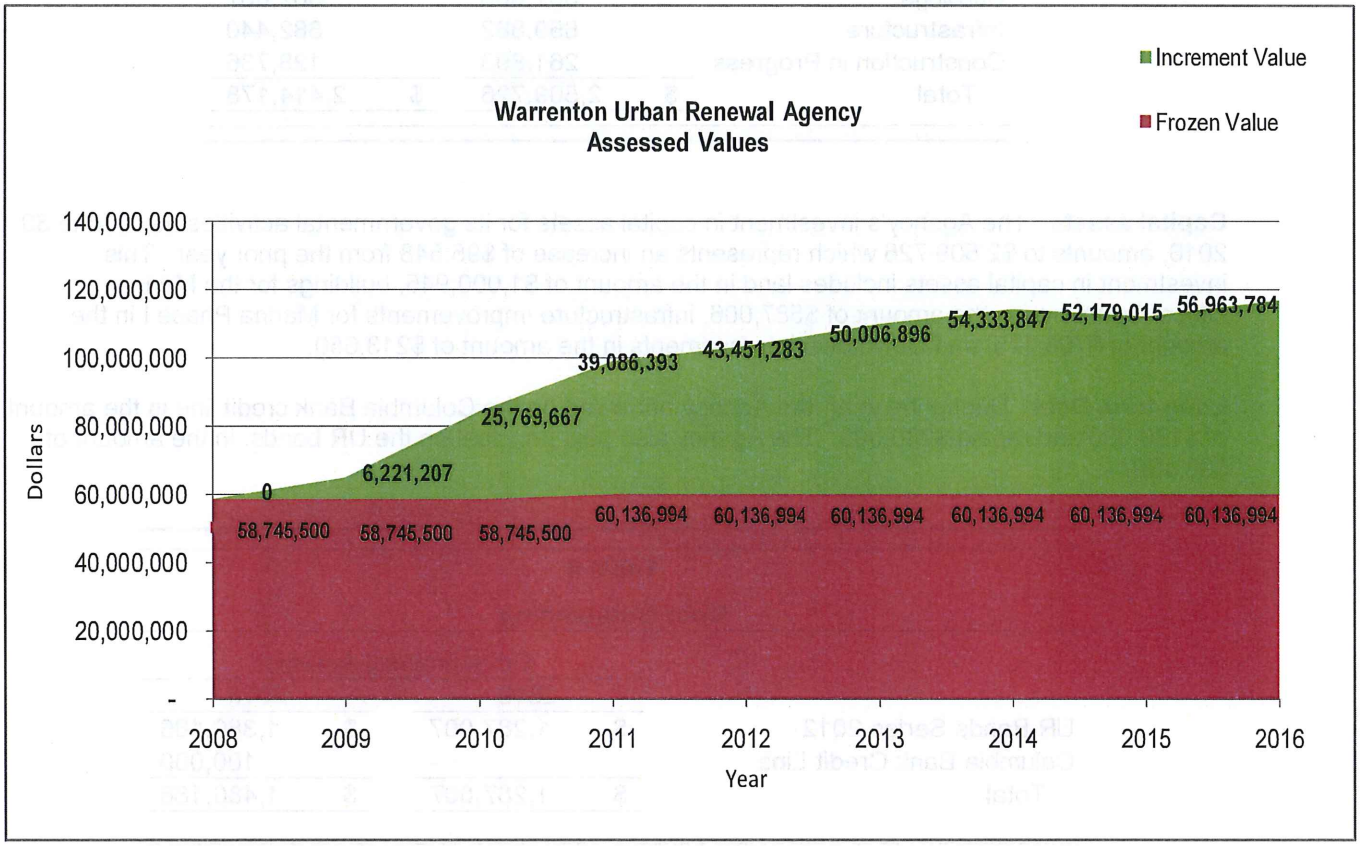
Long-term Debt. During the year, the Agency borrowed on the Columbia Bank credit line in the amount of $180,000 and repaid $280,000. The Agency also paid principal on the UR bonds, in the amount of $93,180.

Table 4
Debt Outstanding

	Governmental Activities	
	2016	2015
UR Bonds Series 2012	$ 1,287,007	$ 1,380,186
Columbia Bank Credit Line	-	100,000
Total	$ 1,287,007	$ 1,480,186

Economic Factors and Next Year's Budgets and Rates

The Agency's frozen assessed value was set at $58,745,500 in 2008 and then changed to $60,136,994 in 2011 as a result of an amendment to the plan. Increasing property values within the boundaries of the Agency translate into increasing tax increment revenue available. That tax increment revenue is then used to pay debt service on debt that funds projects and improvements. The following table illustrates the growth of assessed values within the Agency's district.



Requests for Information

This financial report is designed to provide a general overview of Agency'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:

City of Warrenton
Attention: Finance Department
P. O. Box 250
Warrenton, OR 97146

BASIC FINANCIAL STATEMENTS

WARRENTON URBAN RENEWAL AGENCY
Statement of Net Position
June 30, 2016

	Governmental Activities
ASSETS	
Equity in pooled cash and cash equivalents	$ 1,151,005
Receivables	42,990
Capital assets:	
Nondepreciable assets	1,262,838
Depreciable assets, net of accumulated depreciation	1,246,888
Total assets	3,703,721
LIABILITIES	
Accounts payable and other current liabilities	28,677
Accrued interest payable	2,011
Noncurrent liabilities:	
Due within one year	96,674
Due in more than one year	1,190,333
Total liabilities	1,317,695
NET POSITION	
Net investment in capital assets	1,264,842
Restricted for debt service	1,121,184
Total net position	$ 2,386,026

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

WARRENTON URBAN RENEWAL AGENCY
Statement of Activities
For the Year Ended June 30, 2016

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities
Functions/Programs				
Governmental activities:				
General government	$ 64,443	$ 250	$ -	$ (64,193)
Interest on long-term liabilities	54,581	-	-	(54,581)
Total governmental activities	$ 119,024	$ 250	$ -	(118,774)
	General revenues:			
	Property taxes levied for debt service			529,922
	Unrestricted investment earnings			7,706
	Total general revenues			537,628
	Change in net position			418,854
	Net position, beginning			1,967,172
	Net position, ending			$ 2,386,026

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

WARRENTON URBAN RENEWAL AGENCY
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2016

	Capital Projects (200)	Debt Service (300)	Debt Reserve (400)	Total Governmental Funds
ASSETS				
Equity in pooled cash and cash equivalents	$ 69,480	$ 917,525	$ 164,000	$ 1,151,005
Receivables:				
Accounts receivable	250	-	-	250
Property taxes	-	42,740	-	42,740
Total assets	$ 69,730	$ 960,265	$ 164,000	$ 1,193,995
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and other current liabilities	$ 27,607	$ 1,070	$ -	$ 28,677
Deferred Inflows of Resources:				
Unavailable revenues - property taxes	-	32,344	-	32,344
Fund Balances:				
Restricted for debt service	-	926,851	164,000	1,090,851
Restricted for community development	42,123	-	-	42,123
Total fund balances	42,123	926,851	164,000	1,132,974
Total liabilities, deferred inflows of resources and fund balances	$ 69,730	$ 960,265	164,000	$ 1,193,995

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

WARRENTON URBAN RENEWAL AGENCY
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balances - governmental funds		$ 1,132,974
Receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		32,344
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:		
Nondepreciable assets	$ 1,262,838	
Depreciable assets, net of accumulated depreciation	1,246,888	
		2,509,726
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(2,011)	
Long-term debt	(1,287,007)	
		(1,289,018)
Net position of governmental activities		$ 2,386,026

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

WARRENTON URBAN RENEWAL AGENCY
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Capital Projects (200)	Debt Service (300)	Debt Reserve (400)	Total Governmental Funds
Revenues:				
Taxes	$ -	$ 531,111	$ -	$ 531,111
Investment earnings	16	7,690	-	7,706
Other revenue	250	-	-	250
	266	538,801	-	539,067
Expenditures:				
Current:				
General government	26,073	-	-	26,073
Debt service:				
Principal retirement	-	373,180	-	373,180
Interest	-	54,726	-	54,726
Capital outlay	133,918	-	-	133,918
	159,991	427,906	-	587,897
Excess (deficiency) of revenues over (under) expenditures	(159,725)	110,895	-	(48,830)
Other Financing Sources (Uses):				
Loan proceeds	180,000	-	-	180,000
Net change in fund balances	20,275	110,895	-	131,170
Fund Balances:				
Beginning of year	21,848	815,956	164,000	1,001,804
End of year	$ 42,123	$ 926,851	$ 164,000	$ 1,132,974

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

WARRENTON URBAN RENEWAL AGENCY
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, 2016

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - governmental funds		$ 131,170
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		(1,189)
Governmental funds do not report expenditures for noncurrent unpaid compensated absences, interest expense, or arbitrage since they do not require the use of current financial resources. However, the statement of activities reports such expenses when incurred, regardless of when settlement ultimately occurs.		
Interest expense		145
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	$ 133,917	
Current year depreciation	(38,369)	
		95,548
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. 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	(180,000)	
Repayment of principal	373,180	
		193,180
Change in net position of governmental activities		$ 418,854

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

WARRENTON URBAN RENEWAL AGENCY
200 - CAPITAL PROJECTS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Investment earnings	$ -	$ -	$ 16	$ 16
Other revenue	-	-	250	250
Total revenues	-	-	266	266
Expenditures:				
Materials and services	129,000	129,000	26,073	102,927
Capital outlay	4,289,499	4,289,499	133,918	4,155,581
Total expenditures	4,418,499	4,418,499	159,991	4,258,508
Excess (deficiency) of revenues over (under) expenditures	(4,418,499)	(4,418,499)	(159,725)	4,258,774
Other financing sources (uses):				
Loan proceeds	4,402,122	4,402,122	180,000	(4,222,122)
Net change in fund balances	(16,377)	(16,377)	20,275	36,652
Fund Balance:				
Beginning of year	16,377	16,377	21,848	5,471
End of year	$ -	$ -	$ 42,123	$ 42,123

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

Note I - Summary of significant accounting policies

A. Reporting Entity

The Warrenton Urban Renewal Agency ("Agency") was organized on February 27, 2007 under the provisions of Oregon Revised Statutes, Chapter 457 ("ORS 457"), to provide for rehabilitation of blighted and deteriorated areas within the City's designated urban renewal area. As provided by ORS 457, the City Commission of the City of Warrenton ("City") is the governing body of the Agency.

The Agency is a legally separate entity governed by the City Commission. The City Commission has the ability to impose its will over the Agency as determined on the basis of budget adoption, taxing authority and funding for the Agency. The Agency is considered a component unit of the City of Warrenton, and is reported as a blended component unit in the basic financial statements of 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 Agency 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 net position presents information on all of the City's assets, net outflows of resources, liabilities, and net inflows of resources, with the difference between them reported as net position.

The statement of activities demonstrates the degree to which the direct 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. *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*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide 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 Agency 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.

The Agency reports the following major governmental funds:

The *Capital Projects Fund* is the government's primary operating fund. It accounts for the acquisition and construction of capital assets. The principal revenue source is loan proceeds.

The *Debt Service Fund* accounts for the servicing of general long-term debt. Revenue sources are property taxes and other general governmental revenues.

The *Debt Reserve Fund* accounts for funds set aside in compliance with the Urban Renewal Bond Series 2012 agreement.

Note I - Summary of significant accounting policies, continued

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Assets, liabilities, and net position or fund balance

1. *Equity in pooled cash and cash equivalents*

The Agency'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. The Agency's cash and cash equivalents are pooled with the City of Warrenton's resources.

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*

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 financial statements are accrued as revenue when earned. In governmental funds any revenues not meeting the revenue recognition criteria are reported as deferred inflows of resources.

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.

3. *Capital assets*

Capital assets, which include land, buildings, improvements, equipment, infrastructure, and other tangible and intangible assets, are reported in the government-wide financial statements. Capital assets are defined by the Agency 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 Agency are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	10 - 50
Infrastructure	20 - 25

Note I - Summary of significant accounting policies, continued

D. Assets, liabilities, and net position or fund balance, continued

4. *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 Agency did not have any deferred outflows of resources.

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 Agency has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. *Long-term obligations*

In the government-wide financial statements long-term obligations are reported as liabilities.

In the fund financial statements the face amount of debt issued is reported as other financing sources.

6. *Net position flow assumption*

Sometimes the Agency 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

7. *Fund balance flow assumptions*

Sometimes the Agency 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 Agency'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.

8. *Fund balance*

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.

Note I - Summary of significant accounting policies, continued

D. Assets, liabilities, and net position or fund balance, continued

6. *Fund balance,* continued

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 Agency'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.

9. *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note II - Stewardship, compliance, and accountability

A. Budgetary information

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

A budget is prepared by the City Manager in the early winter preceding the fiscal year the budget will be used. The Agency is required to budget for all funds. The Agency'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, and interfund transfers. Appropriations lapse as of year-end.

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

Note III - Detailed notes on all funds

A. Equity in pooled cash and cash equivalents

The Agency participates in the City of Warrenton's cash and investment pool. At June 30, 2016, the City's cash and investments were maintained in deposits at local financial institutions and the State of Oregon's Local Government Investment Pool ("LGIP"). The Agency's portion of this pool is displayed in the Statement of Net Position and the Balance Sheet as "Equity in pooled cash and cash equivalents." Detail information for the Agency's pooled cash and investments can be found in the City of Warrenton's ("City") June 30, 2016 Financial Statements notes to the financial statements.

B. Capital assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,000,945	$ -	$ -	$ -	$ 1,000,945
Construction in progress	128,736	133,157	-	-	261,893
Total capital assets, not being depreciated	1,129,681	133,157	-	-	1,262,838
Capital assets, being depreciated:					
Buildings	602,057	-	-	-	602,057
Infrastructure	698,765	760	-	-	699,525
Total capital assets being depreciated	1,300,822	760	-	-	1,301,582
Less accumulated depreciation for:					
Buildings	-	(15,051)	-	-	(15,051)
Equipment and vehicles	(16,325)	(23,318)	-	-	(39,643)
Total accumulated depreciation	(16,325)	(38,369)	-	-	(54,694)
Total capital assets, being depreciated, net	1,284,497	(37,609)	-	-	1,246,888
Governmental activities capital assets, net	$ 2,414,178	$ 95,548	$ -	$ -	$ 2,509,726

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

Governmental activities:	
General government	$ 38,369

Note III - Detailed notes on all funds, continued

C. Long-term debt

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

Purpose	Interest Rates	Amount
The Columbia Bank loan was a line of credit issued in October 2014 with a two-year maturity. During the year ended June 30, 2016 the Agency withdrew $180,000 and made repayments on the line of $280,000. The funds were used in the 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 30, 2016 and is secured by tax-increment revenues.	5.00%	$ -
The urban renewal bond series 2012, in the original amount of $1,640,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The bond matures on June 15, 2027.	3.75%	1,287,007
Total debt outstanding		1,287,007
Current portion		96,674
Long-term portion		$ 1,190,333

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

Year ending June 30,	Governmental Activities Principal	Interest
2017	$ 96,674	$ 48,262
2018	100,299	44,638
2019	104,060	40,876
2020	107,963	36,974
2021	112,011	32,926
2022 - 2026	626,301	98,381
2027	139,699	5,239
Total	$ 1,287,007	$ 307,296

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ 1,380,186	$ -	$ (93,180)	$ 1,287,006	$ 96,674
Notes/loan payable	100,000	180,000	(280,000)	-	-
Governmental activities long-term liabilities	$ 1,480,186	$ 180,000	$ (373,180)	$ 1,287,006	$ 96,674

Note IV - Other information

A. Risk management

The Agency 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 the City County Insurance Services ("CCIS"), a public entity risk pool currently operating a common risk management and insurance program. The Agency pays an annual premium to CCIS for insurance coverage. Based on the experience of the Agency and CCIS, the Agency may be liable for an additional premium of up to 20% of its initial premium or it may receive a refund. The Agency has not had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

B. Contingent liabilities

The Agency 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 Agency's financial position, results of operations or cash flows.

OTHER SUPPLEMENTAL INFORMATION

WARRENTON URBAN RENEWAL AGENCY
300 - DEBT SERVICE
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	$ 508,982	$ 508,982	$ 531,111	$ 22,129
Investment earnings	6,365	6,365	7,690	1,325
Total revenues	515,347	515,347	538,801	23,454
Expenditures:				
Debt service	645,800	645,800	427,906	217,894
Excess (deficiency) of revenues over (under) expenditures	(130,453)	(130,453)	110,895	241,348
Other financing sources (uses):				
Transfers out	(300,000)	(300,000)	-	300,000
Net change in fund balances	(430,453)	(430,453)	110,895	541,348
Fund Balance:				
Beginning of year	909,710	909,710	815,956	(93,754)
End of year	$ 479,257	$ 479,257	$ 926,851	$ 447,594

WARRENTON URBAN RENEWAL AGENCY
400 - DEBT RESERVE
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Expenditures:				
Debt service	$ 464,000	$ 464,000	$ -	$ 464,000
Excess (deficiency) of revenues over (under) expenditures	(464,000)	(464,000)	-	464,000
Other financing sources (uses):				
Transfers in	300,000	300,000	-	(300,000)
Net change in fund balances	(164,000)	(164,000)	-	164,000
Fund Balance:				
Beginning of year	-	-	164,000	164,000
End of year	$ (164,000)	$ (164,000)	$ 164,000	$ 328,000

COMPLIANCE SECTION

ISLER CPA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

An Independently Owned Member
McGLADREY ALLIANCE

McGladrey

COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR
REQUIRED BY STATE STATUTE

Honorable Mayor and City Commission
Warrenton Urban Renewal Agency
Warrenton, Oregon

We have audited the basic financial statements of the Warrenton Urban Renewal Agency ("Agency") as of and for the year ended June 30, 2016, and have issued our report thereon dated December 21, 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 Agency'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.

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 Warrenton Urban Renewal Agency 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 Agency'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 Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

1976 Garden Ave., Eugene OR 97403
541.342.5161 www.islercpa.com

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 its distribution is not limited.

Isler CPA
By:

Paul R Nielson

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon
December 21, 2016

4-B

"Making a difference through excellence of service"

CITY OF WARRENTON

AGENDA MEMORANDUM

TO: Warrenton Urban Renewal Agency

FROM: Jane Sweet Interim/Assistant Harbormaster

DATE: Commission Meeting January 24, 2017

SUBJ: Warrenton Pier Evaluation – Warrenton Marina Upgrade Project

SUMMARY: Approve the evaluation by Berger/ABAM for the load rating of the Warrenton Pier. This was approved for $14,270 which was an estimate at the December 13, 2016 Urban Renewal Agency. The actual proposal came in at $29,000. Please see the attached Ground Penetrating Radar report provide by Carlson testing

RECOMMENDATION/SUGGESTED MOTION
"I move to accept the Warrenton Pier Evaluation to be provided by Berger/ABAM in the amount of $29,000.

ALTERNATIVE
None Recommended

FISCAL IMPACT

Approved by City Manager: Linda Engbretson

All supporting documentation, i.e., maps, exhibits, etc., should be attached to the memorandum.

Carlson Testing, Inc.

Bend Office	(541) 330-9155
Geotechnical Office	(503) 601-8250
Eugene Office	(541) 345-0289
Salem Office	(503) 589-1252
Tigard Office	(503) 684-3460

January 16, 2017
T1701035
Permit No: N/A

FIELD INSPECTION REPORT

DATES COVERED: January 12, 2017

PROJECT: City of Warrenton – Pier Evaluation
ADDRESS: 501 NE Harbor Place Warrenton OR
INSPECTOR: M. Ober – ACI#00060231, OBOA#1089

01/12/17 - Ground Penetrating Radar (GPR)

As requested, CTI representative was on site to perform radar scanning on a concrete pier deck, CTI met John with Warrenton Marina/OTAK and was advised of the locations to scan. CTI scanned the West, East, North side and South side of pier deck. (2) Locations were exposed for verification of size of reinforcing; both locations were patched with non-shrink grout by CTI. Results from scans are as follows:

West Bridge (Pier)	East Bridge (Pier)
No reinforcing	5" thick
4"-5" thick	12" on center reinforcing mat both direction at 2" – 2 ½" from bottom

North Side (Pier)
5" thick at north side to 8" thick were meets south side (middle of pier)
12" on center reinforcing mat both directions at 2" – 2 ½" from bottom.
#4 bar running east to west (longitudinal)

South Side (Pier)
5" thick at south side to 8" thick were meets north side (middle of pier)
12" on center reinforcing mat both directions at 2" – 2 ½" from bottom.
#4 bar running north to south (transverse)

SE 1/3 (Pier)
5" thick
12" on center reinforcing mat both directions at 2" – 2 ½" from bottom.

CTI utilized the G551 Mini Radar Scanner CTI #4699 to perform task. John with OTAK was on site during scanning.

If there are any further questions regarding this matter, please do not hesitate to contact this office.

Respectfully submitted,
CARLSON TESTING, INC.

Jay Hathaway
Project Manager

MO/sc
cc: Ctiy of Warrenton – Jane Sweet Jsweet@ci.warrenton.or.us
Otak Inc (seaside) – Jon Forrester Jon.forrester@otak.com

CITY OF WARRENTON
CONTRACT FOR PROFESSIONAL CONSULTING SERVICES

CONTRACT:

This Contract made and entered into this 29th day of December, 2016, by and between the City of Warrenton, a municipal corporation of the State of Oregon, hereinafter called "CITY", and BergerABAM, hereinafter called "CONSULTANT", duly authorized to do business in Oregon.

WITNESSETH

WHEREAS, the CITY requires services which CONSULTANT is capable of providing, under terms and conditions hereinafter described; and

WHEREAS, CONSULTANT is able and prepared to provide such services as CITY does hereinafter require, under those terms and conditions set forth; now, therefore,

IN CONSIDERATION of those mutual promises and the terms and conditions set forth hereafter, the parties agree as follows:

1. CONSULTANT SERVICES:

A. CONSULTANT's obligations are defined solely by this contract and its attachment and not by any other contract or agreement that may be associated with this project. See Attachment Exhibit A. Proposal Dated December 5, 2016.

2. COMPENSATION

A. The CITY agrees to pay CONSULTANT a total not-to-exceed price of $29,000 for performance of Marine Engineering;

B. The CONSULTANT will submit a final invoice for all services rendered to: City of Warrenton, Attention: Accounts Payable, PO Box 250, Warrenton, Oregon 97146, OR, CONSULTANT may submit invoice via email to ap@ci.warrenton.or.us. City pays net 21 upon receipt of invoice.

C. CITY certifies that sufficient funds are available and authorized for expenditure to finance costs of this Contract.

3. CONSULTANT IDENTIFICATION

CONSULTANT shall furnish to the CITY the CONSULTANT's employer identification number, as designated by the Internal Revenue Service, or CONSULTANT's Social Security number, as CITY deems applicable.

4. CITY'S REPRESENTATIVE

For purposes hereof, the CITY'S authorized representative will be Linda Engbretson, City Manager, City of Warrenton, PO Box 250, Warrenton, Oregon, 97146.

5. CONSULTANT'S REPRESENTATIVE

For purposes hereof, the CONSULTANT's authorized representative will be Howard A. "Hod" Wells.

6. CONSULTANT IS INDEPENDENT CONSULTANT

A. CONSULTANT shall be an independent CONSULTANT for all purposes and shall be entitled to no compensation other that the compensation provided for under Section 2 of this Contract,

B. CONSULTANT acknowledges that for all purposes related to this contract, CONSULTANT is and shall be deemed to be an independent CONSULTANT and not an employee of the CITY, shall not be entitled to benefits of any kind to which an employee of the CITY is entitled and shall be solely responsible for all payments and taxes required by law; and furthermore in the event that CONSULTANT is found by a court of law or an administrative agency to be an employee of the CITY for any purpose, CITY shall be entitled to offset compensation due, or, to demand repayment of any amounts paid to CONSULTANT under the terms of the contract, to the full extent of any benefits or other remuneration CONSULTANT receives (from CITY or third party) as result of said finding and to the full extent of any payments that CITY is required to make (to CONSULTANT or a third party) as a result of said finding.

C. The undersigned CONSULTANT hereby represents that no employee of the City of Warrenton, or any partnership or corporation in which a City of Warrenton employee has an interest, has or will receive any remuneration of any description from the CONSULTANT, either directly or indirectly, in connection with the letting or performance of this contract, except as specifically declared in writing.

7. CANCELLATION FOR CAUSE

CITY may cancel all or any part of this Contract if CONSULTANT breaches any of the terms herein or in the event of any of the following: Insolvency of CONSULTANT; voluntary or involuntary petition in bankruptcy by or against CONSULTANT; appointment of a receiver or trustee for CONSULTANT, or any assignment for benefit of creditors of CONSULTANT. Damages for breach shall be those allowed by Oregon law, reasonable and necessary attorney's fees, and other costs of litigation at trial and upon appeal. CONSULTANT may likewise cancel all or any part of this contract if CITY breaches any of the terms herein and be therefore entitled to equivalent damages as expressed above for CITY.

8. ACCESS TO RECORDS

CITY shall have access to such books, documents, papers and records of CONSULTANT as are directly pertinent to this contract for the purposes of making audit, examination, excerpts and transcripts.

9. FORCE MAJEURE

Neither CITY nor CONSULTANT shall be considered in default because of any delays in completion of responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the party so disenabled provided the party so disenabled shall within ten (10) days from the beginning such delay notify the other party in writing of the causes of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation.

10. NONWAIVER

The failure of the CITY to insist upon or enforce strict performance by CONSULTANT of any of the terms of this Contract or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon such terms or rights on any future occasion.

11. ATTORNEY'S FEES

In the event suit or action is instituted to enforce any of the terms of this contract, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

12. APPLICABLE LAW

The law of the State of Oregon shall govern the validity of this Agreement, its interpretation and performance, and any other claims related to it.

13. CONFLICT BETWEEN TERMS

It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument and the proposal of the CONSULTANT, this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

14. INDEMNIFICATION

CONSULTANT agrees to indemnify and hold harmless the City of Warrenton, its Officers, and Employees against and from any and all loss, claims, actions, suits, reasonable defense costs, attorney fees and expenses for or on account of injury, bodily or otherwise to, or death of persons, damage to or destruction of property belonging to city, CONSULTANT, or others resulting from or arising out of CONSULTANT's negligent acts, errors or omissions in the supply of goods or performance of services pursuant to this Agreement. This agreement to indemnify applies whether such claims are meritorious or not; provided, however, that if any such liability, settlements, loss, defense costs or expenses result from the concurrent negligence of CONSULTANT and The City of Warrenton this indemnification and agreement to assume defense costs applies only to the extent of the negligence or alleged negligence of the CONSULTANT.

With regard to Professional Liability CONSULTANT agrees to indemnify and hold harmless CITY, its officers and employees from any and all liability, settlements, loss, reasonable defense costs, attorney's fees and expenses arising out of CONSULTANT's negligent acts, errors, or omissions in service provided pursuant to this Agreement; provided, however, that if any such liability, settlements, loss, defense costs or expenses result from the concurrent negligence of CONSULTANT and the City, this indemnification and agreement to assume defense costs applies only to the extent of negligence of CONSULTANT.

With respect to Professional Liability, CONSULTANT reserves the right to approve the choice of counsel.

15. INSURANCE

Prior to starting work hereunder, CONSULTANT, at CONSULTANT's cost, shall secure and continue to carry during the term of this contract, with an insurance company acceptable to CITY, the following insurance:

A. Commercial General Liability. CONSULTANT shall obtain, at CONSULTANT's expense and keep in effect during the term of this Contract, Commercial General Liability Insurance covering bodily injury and property damage with limits of not less than $1,000,000 per occurrence and the annual aggregate of not less than $2,000,000. Coverage shall include CONSULTANTs, sub consultants and anyone directly or indirectly employed by either. This insurance will include personal and advertising injury liability, products and completed operations. Coverage may be written in combination with Automobile Liability Insurance (with separate limits). Coverage will be written on an

occurrence basis. If written in conjunction with Automobile Liability the combined single limit per occurrence will not be less than $1,000,000 for each job site or location. Each annual aggregate limit will not be less than $2,000,000.

B. Professional Liability Insurance. The CONSULTANT shall have in force a policy of Professional Liability Insurance in an amount not less than $1,000,000 per claim and $2,000,000 aggregate. The CONSULTANT shall keep such policy in force and current during the term of this Agreement.

C. Automobile Liability. CONSULTANT shall obtain, at CONSULTANT's expense and keep in effect during the term of the resulting Contract, Commercial Business Automobile Liability Insurance covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits). Combined single limit per occurrence will not be less than $1,000,000 and annual aggregate not less than $2,000,000.

D. Additional Insured. The liability insurance coverage shall include City and its officers and employees as Additional Insured but only with respect to CONSULTANT's activities to be performed under this Contract. Coverage will be primary and non-contributory with any other insurance and self-insurance. Prior to starting work under this Contract, CONSULTANT shall furnish a certificate to City from each insurance company providing insurance showing that the City is an additional insured, the required coverage is in force, stating policy numbers, dates of expiration and limits of liability, and further stating that such coverage is primary and not contributory.

E. Notice of Cancellation or Change. There will be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written notice from CONSULTANT or its insurer(s) to City. Any failure to comply with the reporting provisions of this clause will constitute a material breach of this Contract and will be grounds for immediate termination of this Agreement.

16. LABORERS AND MATERIALMEN, CONTRIBUTIONS TO INDUSTRIAL ACCIDENT FUND, LIENS AND WITHHOLDING TAXES ORS 279B.220

CONSULTANT shall make payment promptly, as due, to all persons supplying CONSULTANT labor or material for the prosecution of the work provided for this contract.

CONSULTANT shall pay all contributions or amounts due the Industrial Accident Fund from CONSULTANT or any sub consultant incurred in the performance of the contract.

CONSULTANT shall not permit any lien or claim to be filed or prosecuted against the state, county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished.

CONSULTANT shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

17. WORKERS COMPENSATION INSURANCE

CONSULTANT, its sub-CONSULTANTs, if any and all employees working under this agreement are either subject to employers under the Oregon Worker's Compensation Law and shall comply with ORS 656.017, which requires them to provide workers compensation coverage for all their subject workers, or are employers that are exempt under ORS 656.126.

18. PAYMENT OF MEDICAL CARE ORS 279B.230
CONSULTANT shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury to the employees of such CONSULTANT, of all sums which the CONSULTANT agrees to pay for such services and all moneys and sums which the CONSULTANT collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.

19. OVERTIME ORS 279B.235.
Employees shall be paid for overtime work performed under this contract in accordance with ORS 279B.235(3) unless excluded under ORS 653.010 to 653.261 (29 U.S.C. sections 201 to 209).

20. BUSINESS LICENSE
Prior to commencing work in the City of Warrenton, CONSULTANT shall obtain a city business license.

21. STANDARD OF CARE
The standard of care applicable to CONSULTANT's services will be the degree of skill and diligence normally employed by CONSULTANTs performing the same or similar services at the time CONSULTANT's services are performed. CONSULTANT will re-perform any services not meeting this standard without additional compensation.

22. NO THIRD PARTY BENEFICIARIES
This contract gives no rights or benefits to anyone other than the CITY and CONSULTANT and has no third party beneficiaries.

23. SEVERABILITY AND SURVIVAL
If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability shall survive termination of this Agreement for any cause.

24. COMPLETE CONTRACT
This Contract and its referenced attachments constitute the complete contract between CITY and CONSULTANT and supersedes all prior written or oral discussions or agreements. CONSULTANT services are defined solely by this Contract and its attachments and not by any other contract or agreement that may be associated with this Contract.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first written above.

City of Warrenton, a Municipal Corporation

Linda Engbretson, City Manager

BY: Mark Kujala 1/5/17
Mark Kujala, Mayor Date

ATTEST: Linda Engbretson 1/10/17

CONSULTANT:

By: _____ 12/30/2016
Printed Name: HOWARD WELLS Date
Title: SR. PROJECT MANAGER

BergerABAM

700 Northeast Multnomah Street, Suite 900, Portland, Oregon 97232-4189
503/872-4100 • 503/872-4101 Fax • www.abam.com

5 December 2016

Ms. Jane Sweet
Interim Harbormaster / Assistant Harbormaster
225 S. Main Ave.
Warrenton, OR 97146

Re: Proposal for Marine Engineering Services –Warrenton Marina Work Pier Evaluation

Dear Ms. Sweet:

BergerABAM is pleased to present this proposal to provide professional engineering services for the City of Warrenton. Per your request, we understand that you desire a structural evaluation of the work pier located at the Warrenton Marina. We understand that there is some concern for the structural load-carrying capacity of the work pier.

We understand that original design drawings for the work pier are not available. Also, no as-constructed drawings or other documentation are available that depict the structures, their construction, or their condition. Recent topography has been obtained and provided to us in AutoCAD format.

The following is our specific scope of services.

SCOPE OF SERVICES

TASK 1 – PROJECT MANAGEMENT

Project Management. This task includes project coordination, staff scheduling, client communication, invoicing, schedule and budget monitoring, and administration of the Quality Assurance/Quality Control plan.

TASK 2 - INFORMATION GATHERING

Inspection and Safety Plan. BergerABAM will prepare an Inspection and Safety Plan for the on-site activities. This plan will outline the responsibilities of BergerABAM and City of Warrenton staff regarding day-of-inspection activities. We will submit this plan in draft form to the City for review and comment prior to the site visit. BergerABAM will prepare for the site visit by readying inspection forms and protocol.

Site Visit. Two BergerABAM personnel will visit the marina to complete the structural assessment. We expect that the inspection of the Warrenton Work Pier will take a full day for two staff members. Two overnight stays for two people will be required.

The site visit will include the following activities at the Warrenton Work Pier:

- The City of Warrenton will provide and pilot a work skiff to provide access to the underside of the pier for the BergerABAM personnel.
- Observation and photo-documentation of the Warrenton Work Pier. We will determine the general layout of the structural framing to the extent that this information can be obtained by visual means.
- Gathering of condition assessment data of the Warrenton Work Pier.

The inspection will generally conform to a Level I Routine Above-water Inspection, as defined by ASCE's *Waterfront Facilities Inspection and Assessment* manual. This includes visual/tactile inspection methods only. Hammer-sounding of structural elements will be conducted, but other destructive or non-destructive testing will not be performed. We understand that the Work Pier has not been previously inspected. A Level I Routine Above-water Inspection will serve as a Baseline Inspection, from which subsequent inspections may be compared.

At the Warrenton Marina, the inspection will be limited to a 7-hour inspection window. Due to the time limitation, it is possible that less than 100% of the structural elements will receive inspection.

Exclusions. Non-structural components of the Work Pier are specifically excluded from the inspections. These components include but are not limited to gangways, utilities, mooring hardware, or anything other than structural components.

Deliverables. BergerABAM will deliver a draft Inspection and Safety Plan for the City's review and comment, and will then finalize the document based on review comments. Both submittals will be in Adobe pdf format, delivered via email.

TASK 3 – STRUCTURAL EVALUATION & REPORTS

Warrenton Work Pier. BergerABAM will prepare general layout drawings of the pier for use in the assessment report and for the City's future use. These drawings will be based on our on-site observations and measurements. We will plot observed damage on these drawings. We will tabulate condition ratings of the structural elements. We will perform a structural load rating of the pier. We will prepare a report summarizing the activities performed and the findings.

Deliverables. BergerABAM will deliver the draft report for the Warrenton Work Pier for review and comment by the City of Warrenton. Following City review, we will deliver the final report. The final report will bear the seal and signature of an Oregon-registered professional engineer. All deliverables will be in Adobe pdf format provided electronically.

ASSUMPTIONS

This scope of services and the associated fee budget are based on the assumptions that follow.

- The City will provide and pilot a work skiff for use by BergerABAM staff for an entire work day for the purposes of inspecting the Warrenton Work Pier.
- No drawings of the Warrenton Work Pier (other than the recently obtained topography) are available for our use.
- Unobservable information, such as the presence or amount of reinforcing steel in concrete elements, will not be documented. When it is reasonable to do so, BergerABAM will make assumptions regarding unobservable conditions based on our experience. If such assumptions are made, they will be clearly stated in the reports. If reinforcing steel information is provided to us by others prior to commencement of our load rating, we will incorporate the information into our work.

COMPENSATION

Compensation for these services will be performed for a lump sum fee of $29,000.

We assume that this letter proposal will be included, in whole, as the scope of services to be performed, and attached to the City's standard Contract for Professional Consulting Services.

Thank you for this opportunity. If you have any questions or comments regarding this proposal, please do not hesitate to call me.

Sincerely,

Howard A. "Hod" Wells, P.E., LEED AP
Sr. Project Manager

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/30/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Servco Pacific Insurance
800 Fifth Ave. Suite 2400
Seattle, WA 98104

CONTACT NAME: Certificate Department
PHONE (A/C, No, Ext): 206-216-4830 FAX (A/C, No): 206-260-2903
E-MAIL ADDRESS: certdept@servcopacific.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Travelers Indemnity Company of Amer	25666
INSURER B: Travelers Property Casualty Company	25674
INSURER C: The Phoenix Insurance Company	25623
INSURER D: Starr Surplus Lines Insurance Co	13604
INSURER E:	
INSURER F:	

INSURED 694
BergerABAM
33301 Ninth Avenue South
Suite 300
Federal Way, WA 98003

COVERAGES **CERTIFICATE NUMBER:** 1046875008 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A B	**GENERAL LIABILITY** X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC	Y		6808264P255 6807B921034	7/1/2016 7/1/2016	7/1/2017 7/1/2017	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$1,000,000 $1,000,000 $10,000 $1,000,000 $2,000,000 $2,000,000
C	**AUTOMOBILE LIABILITY** X ANY AUTO ALL OWNED AUTOS X HIRED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS			BA8269P109	7/1/2016	7/1/2017	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$1,000,000 $ $ $ $
	UMBRELLA LIAB OCCUR **EXCESS LIAB** CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE $	$ $ $
B	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		UB3903T78	7/1/2016	7/1/2017	X WC STATU-TORY LIMITS X OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	WA Stop Gap $1,000,000 $1,000,000 $1,000,000
D	Professional Liability			1000199129161	7/1/2016	7/1/2017	Per Claim Aggregate Deductible	$1,000,000 $2,000,000 $200,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

IF CERTIFICATE IS NO LONGER REQUIRED, PLEASE NOTIFY SERVCO PACIFIC INSURANCE
Re: City of Warrenton 2016 December 29, Warrenton Marina Work Pier Evaluation Project.
The City of Warrenton and its officers and employees are included as an Additional Insured on General Liability Policy. General Liability Policy is Primary and Non-Contributory. 30 Days notice of cancellation applies.

CERTIFICATE HOLDER

City of Warrenton
Attn: Jane Sweet
225 S. Main Ave.
Warrenton, OR 97146

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
J. Se