

**GLADSTONE CITY COUNCIL
REGULAR MEETING
CITY HALL COUNCIL CHAMBERS
February 12, 2013**

**7:30 p.m. CALL TO ORDER
ROLL CALL
FLAG SALUTE
BUSINESS FROM THE AUDIENCE**

Visitors: Presentations not scheduled on the Agenda are limited to five (5) minutes. Longer presentations should be submitted to the Assistant City Administrator by 5:00 p.m. Wednesday prior to the Tuesday City Council meeting.

CONSENT AGENDA

All items below will be enacted by one motion unless someone requests specific item(s) be removed prior to Council adoption of the Consent Agenda.

1. Approval of October 23, 2012, December 11, 2012 and January 8, 2013 Minutes
2. Approval of Gaffer's Pub Liquor License Full On Premises Sales
3. Appointment to Advisory Boards, Committees and Commissions:
 - a. Planning Commission (one application received for one vacant position)
 - b. Senior Center Advisory Board (two applications received for two vacant positions)
4. Proclamation Shen Yun Performing Arts Day
5. Payment of Claims

CORRESPONDENCE

6. Letters/e-mails from Rose Johnson
7. Letters Regarding City Council Minutes
8. DEQ Pre-Enforcement Notice Regarding Sewer Overflow
9. Letter from Kevin Johnson Regarding LSSI

REGULAR AGENDA

10. Exit Audit Fiscal Year 2012-13 Merina and Company

RECESS TO URBAN RENEWAL MEETING

AGENDA - GLADSTONE URBAN RENEWAL DISTRICT

ROLL CALL

1. Exit Audit Fiscal year 2012-13 Merina and Company

ADJOURN URBAN RENEWAL MEETING

RECONVENE TO CITY COUNCIL MEETING

11. Appointment to Budget Committee (four applications received for two vacant positions)
12. Appointment to Traffic Safety Commission (two applications received for one vacant position)
13. City Hall/Police Station Update
14. Discussion Regarding Options Related to Library Capital Contributions
15. Appointment of City Council Liaisons for 2013 (Appointments made by Mayor)
16. Chautauqua – City Participation
17. Dog Park Update – Scott Tabor (no attachments)
18. City Council Guide Book
19. Discussion Regarding a City Council Retreat (no attachments)
20. City Day at the Capital
21. Ordinance No. 1440, Approving an Amendment to the Comprehensive Plan & Zoning Map, Zoning Designation from R-5 to C-3, North Side of Arlington Street, between Columbia Ave and 82nd Drive
22. Appointment to Library District Advisory Board (No Attachments)

BUSINESS FROM THE COUNCIL

EXECUTIVE SESSION – ORS 192.660(2) (information will be provided at City Council meeting)

ADJOURN

- Reminder: Town Hall Meeting, Gladstone Senior Center 7:00 p.m., February 28, 2013



CONSENT AGENDA

GLADSTONE CITY COUNCIL MINUTES OF REGULAR MEETING – October 23, 2012

ROLL CALL

The following city officials answered the roll call: Mayor Wade Byers and Councilors Hal Busch, Walt Fitch, Ray Jaren, Kari Martinez, Thomas Mersereau, and Lendon Nelson.

ABSENT: None

STAFF

Pete Boyce, City Administrator; Heather Martin, City Attorney; Jolene Morishita, Assistant City Administrator; Jim Pryde, Police Chief; Eric Graves, Police Officer and Jose Gutierrez, Police Officer.

Mayor Byers led the flag salute.

REGULAR AGENDA

1. Discussion – Facility Plan City Hall/Police Station. City Administrator, Pete Boyce reported the worksession tonight was to discuss the City Hall/Police station facilities. Council decided to patch the roof to get through the winter. The Architect talked about a phased approach on renovating the City Hall building; however, it was put on hold until Council makes a decision on what the long-term plan for the facility will be. This is the first of worksessions with the purpose to discuss a long-term plan. Council was asked to provide input on what the process will be and what information is needed to make their decision. Suggestions included:

- Hiring a facilitator to help Council create a long-term process
- Follow a standard process by reviewing needs, future growth, space needs, staff, etc.
- What does the Police Department need to do their job
- Inventory of possible sites include Community Club Center and two houses next to it, Butcher Block Corner, current library site, houses on Portland or Dartmouth, Oberson, two storage lots on Glen Echo, rebuild at Public Works, Parker property next to Walgreens, and buildings near DMV (Clackamas River Plaza has 4,000 sqft available at \$534/month to lease).
- Determine the building value and market assessment, what could the building be marketed for
- Deconstruct the building to foundation, reconstruct without Police Station and relocate the police department (county elections building)
- If rebuilt, underground parking should be considered
- If deconstructed and rebuilt will the parking be changed
- Can the police department be separated from the fire station
- Clarify setbacks on the lot
- Internal needs assessment done in-house coupled with information from the planner regarding parking regulations, range of square footage
- Public input at Town Hall meeting (possibly Jan 30, 2013)
- MS4 Storm Water Project may require more staff in the future
- Dollar amount to build new police station would be more than rebuilding city hall

City Administrator Boyce noted whatever is done there will be cost involved. Options for payment could be:

- Funds from state revenue sharing. There is \$643,000 as of September and the City accumulates \$92,000 a year
- Urban Renewal Funds depending on location of building or amend boundary
- Request voter approval of general obligation bond
- Phasing over time will help to pay for the work without bond

A decision must be made in a timely manner.

BUSINESS FROM THE COUNCIL -- None

Adjourn

Mayor Byers recessed the October 23, 2012 Council meeting at 8:35 p.m.

The next City Council meeting was adjourned to _____, 2012, at 7:00 p.m.

Approved by the Mayor this _____ day of _____, 2013.

Attest:

Mayor

Assistant City Administrator

GLADSTONE CITY COUNCIL MINUTES OF REGULAR MEETING – December 11, 2012

ROLL CALL

The following city officials answered the roll call: Mayor Wade Byers and Councilors Hal Busch, Ray Jaren, Kari Martinez, Thomas Mersereau, and Lendon Nelson.

ABSENT: Walt Fitch

STAFF

Pete Boyce, City Administrator; Rhonda Bremmeyer, Senior Center Director; Heather Martin, City Attorney; Jolene Morishita, Assistant City Administrator; and Jim Pryde, Police Chief.

Mayor Byers led the flag salute.

BUSINESS FROM THE AUDIENCE

Pat McMahan, 175 W. Berkley noted that last month he was asked how much water is too much water. His answer is two inches in a 24-hour period is too much water for the bioswale.

The sixth annual “Santa in the Mac” is riding again this year throughout four different areas in Gladstone. He has been asked by the Toy and Joy chairperson to ask for a donation from the City.

Councilor Martinez moved and Councilor Busch seconded a motion to donate \$500 to Toy and Joy for Christmas 2012.

Motion carried unanimously.

Kevin Johnson, 6970 Winfield Court was expecting more discussion last month about the election; specifically an apology from the Council regarding the library measure. He suggested that LSSI be contacted to help resolve library issues.

Kim Sieckmann, 145 W. Dartmouth was surprised that there was not more conversation at the last meeting regarding Ballot Measure 3-413, the \$1.2 million invested on it, and countless hours of staff time. He does not feel the Council has the resident’s best interest in mind and asked they step down.

CONSENT AGENDA

Item(s) Removed from the agenda: None

Council Discussion:

1. Acceptance of Neal Reisner’s Resignation from the Planning Commission and Budget Committee
2. Appointments to Advisory Boards, Committees and Commissions:
 - a. Senior Center Advisory Board (three applications received for six positions)
 - b. Budget Committee (three applications received for five potions)
3. Payment of November Claims

City Administrator Pete Boyce reported there was an additional application received for the Budget Committee after the closing date. He suggested Council reopen the closing date so the application can be accepted.

Councilor Nelson moved and Councilor Busch seconded a motion to approve the Consent Agenda consisting of Items 1 and 3 as presented and item 2 with consensus of Council that the closing date will be reopened and the additional application accepted.

Motion Passed unanimously.

CORRESPONDENCE -- None.

REGULAR AGENDA

4. Appoint to Planning Commission (four applications received for three positions) Applications were received from Sean McDonnell, Patrick McMahon, Craig Seghers, and Kirk Stempel.

Roll: **Jaren:** McMahon, Seghers, Stempel; **Mersereau:** McMahon, Stempel, McDonnell; **Martinez:** McMahon, Seghers, McDonnell; **Busch:** McMahon, Stempel, McDonnell; **Nelson:** McMahon, Stempel, McDonnell; **Byers:** McMahon, Stempel, McDonnell

Mayor Byers announced the three positions for the Planning Commission will be held by Patrick McMahon, Sean McDonnell, and Kirk Stempel.

Councilor Busch moved and Councilor Nelson moved to appoint two four-year terms to Pat McMahon and Kirk Stempel and the three-year term to Sean McDonnell.

Motion carried unanimously.

5. Recommendation from Library Board and Appointment to Library Board (six applications received for three positions) Applications were received from Margaret Bertalan, Denise Heintz, Katie Lewis, Sean McDonnell, Craig Seghers, and Tammy Stempel. Tammy Stempel withdrew her application. City Administrator Boyce reported there was one late application from Debra Mead.

Moma Escreva, 17200 Valley View Road stated they have not had a director in the library and the library director usually sends in the applications. She asked both Katie Lewis and Debra Mead to put in their applications in for renewal. Ms. Mead has been with the library for a year and in this case of one day late for a person with experience should be considered. Mayor Byers stated in fairness to the applicants who met the deadline Ms. Mead should not be considered.

Roll: **Jaren:** Bertalan, Heintz, Lewis, McDonnell; **Mersereau:** Bertalan, Heintz, Lewis, McDonnell; **Martinez:** Bertalan, Heintz, Seghers, McDonnell; **Busch:** Bertalan, Heintz, Lewis, McDonnell; **Nelson:** Bertalan, Heintz, Lewis, McDonnell; **Byers:** Bertalan, Heintz, Lewis, McDonnell

Mayor Byers announced the four positions for the Library Board will be held by Margaret Bertalan, Denise Heintz, Katie Lewis, and Sean McDonnell.

6. Planning Commission Recommendation – Denial of Comprehensive Plan Change and Zone Change from Single Family Residential, R-5 to Commercial, C-3 – (North side of Arlington St. from Columbia Avenue to 82nd). City Attorney Martin suggested the Council continue this issue

to the January meeting to allow time for the Council to review the complete minutes that have been approved by the Planning Commission.

Mayor Byers opened the public hearing and continued the issue to January 8, 2013.

7. Notice of Purchase of Rapid Response Water Purification System – City Councilor Len Nelson. Councilor Nelson notified Council that the City has purchased four Rapid Response Water Purification Systems. The purpose of the system is to provide clean drinking water in the event of a natural disaster. This is a portable unit the size of two rolling suitcases. It can provide 200 gallons an hour of potable water. It can be easily taken to a site and hooked up to draw water. In one day a unit can provide water for 540 people.

Questions from Councilors:

- Where did these units originate? Councilor Nelson said they came from Global Pure Water in San Diego, California.
8. Request for New City Council Liaison Position with Police Department (Appointments to Liaison Position are made in January by Mayor) – City Councilor Len Nelson. Councilor Nelson noted this item will be put on January's agenda.
9. Library District Advisory Committee Representative. Mayor Byers stated this position was formerly held by Judith Ervin. City Administrator Boyce reported this does not have to be an elected official. He feels it would be good for Gladstone to appoint an elected official to give the committee a little more balance.

Councilor Mersereau offered his name since he is the Council liaison. This would help him understand the library issues more. City Administrator Boyce noted there is no rush; the appointment can be made next year.

10. Update Regarding Sewer Overflow – Pat Sisul. Pat Sisul, Sisul Engineering, 375 Portland Avenue reported the City hired C-More Pipe Services to conduct pipe cleaning and TV inspection. The work was done between August and October. There was 3500 feet of pipe inspection in the downtown area between Portland Avenue and Oatfield and from Arlington to Jersey and Abernathy. As they were finishing the project there was a sewer problem on River Road and Riverdale Avenue so Scott Tabor, Public Works Director instructed the company to inspect another 1300 feet in that area. He explained the results for the two areas combined. Problems identified:

- Two Protruding laterals on E. Clarendon Street
- Motor in Pipe on E. Clarendon Street
- Cracked cap on E. Hereford
- Broken Pipe Cap on E. Gloucester Street and Oatfield Road
- Circular Crack on E. Arlington Street
- Longitudinal Crack on E. Arlington Street at Yale Avenue
- Pin Hole on E. Dartmouth Street
- Leaky Joint on E. Jersey Street at Portland Avenue
- Roots in 10" diameter Pipe on E. Gloucester Street

- Offset Joint on E. Gloucester Street
- Broken Pipe on E. Clarendon Street
- Broken Pipe on E. Jersey Street
- Severe Broken Pipe on Oatfield Road - fixed
- Hole in pipe on E. Berkeley Street
- Severe hole on E. Exeter Street at Harvard Avenue

Questions from Councilors:

- Would a vac-truck help to clean some of these pipes out? Answer: Mr. Sisul stated Public Works has a root cutter they can run now they can see where these areas are.

Mr. Sisul summarized the findings: 32 holes, 56 broken pipes, 3 severely offset joints, 2 broken caps, 46 longitudinal cracks and 38 circular cracks. There were (1466) leaking joints in the system. Recommendation is to dig up and replace several 2-5 foot sections of pipe and patch the street; or dig up the streets, fix laterals and repair the streets. Timberline Development helped estimate cost of repairs:

- 131 dig up and repair broken pipes and holes at \$4,800 per fix
- 55 dig up and grout service laterals at \$2,100
- 17 manholes to be grouted where there was water intrusion or hole
- 3 sections in downtown area where there is enough problems where the entire section should be replaced
- Sections on River Road and Riverdale should be dug up and fixed

Total cost of repairs recommended is \$1.1 million. These repairs will reduce not eliminate the water intrusion. Approximately 1000 leaking joints remain after the fix.

Questions from Councilors:

- Is the biggest problem everything east down? Mr. Sisul agreed. There is the ability to create more cross connections on Portland Avenue to open up more capacity in the Barton Pump Station.
- How much time did DEQ give the City to do a repair project to correct the spillage problem. Administrator Boyce reported the City has been informing DEQ of the status of the repairs and are serious about working on a solution. They have not given the City a clear timeline; however, they do want to see progress is getting the problem resolved. Staff is working on a Water Master Plan and will begin work on a Sewer Master Plan. Mayor Byers asked staff to prepare an analysis on which plan would have the greatest impact on reducing the flow coupled with a modest or moderate cross flow on one or two spots on Portland Avenue.
- What is the cost of repairing the remaining 1000 leaking joints? Mr. Sisul noted about 1/3rd of the joints will be repaired. The cost will depend on what needs to be done to repair each leak.

Administrator Boyce will provide the street information on the website.

11. City Council Handbook. Councilor Tom Mersereau provided an updated draft of the City Council Handbook. He asked the Council to review the document for comments and additions.

Administrator Boyce asked the Council to keep in mind that this draft has not been through legal review. Council agreed Councilor Mersereau is going in the right direction with this document and has done a great job.

12. Update Regarding City Hall/Police Station. Administrator Boyce reported he has been working with Group McKenzie to do a space needs analysis. Their report should be available for review at the January Council meeting.

BUSINESS FROM THE COUNCIL

- Councilor Martinez found it interesting the number of write-ins voting on the local issues. The population of Gladstone is 11,400 and 3000 registered voters were against the library.
- The Fire Department has been very busy this Christmas season. The crews have been doing a lot of PR events like station tours with school children; toy and joy collection; and collecting money for families in need. This year the Department should reach 1550 calls; on December 4th they received 7 calls in one night.
- The Police Department had an annual Command Staff Retreat on December 8th at the Senior Center where they reviewed 2012 and completed a forecast for 2013. The Police Department is going to put on a Crime Prevention Demonstration/Program for all the business owners on McLoughlin Blvd. The owner of Baskin and Robins has contacted the business owners and Chief Pride to put the program together. Changes in the department will include Officer Bob Adams, Acting Sergeant, changing to patrol in January and Eric Grave from patrol will be the new Acting Sergeant.
- On December 19th the Emergency Management Team will have a Christmas potluck at the Pryde Ranch in Boring,
- Councilor Busch reported he attended the Clackamas Council Coordinating meeting. Discussion centered on new transportation funding opportunities that are available. The Federal Government has come up with dollars available for ODOT Region I (Hood River, Clackamas, Multnomah and Washington Counties). The counties have gotten together and unanimously agreed to split the funds. Clackamas County will receive \$8.2 million to do Sunnyside Road System Development work. Other meetings will be held to determine transportation funding needs and review monies that will be available from 2015 through 2018 and how those monies should be directed for use in Clackamas County.
- Mayor Byers reported the girl's soccer team won the third State Championship in four years. A letter was sent to the coach congratulating the team.
- An appreciation breakfast was held for City employees where service awards were given out.
- Metro is proposing a management fee for all the land they have taken in on the Greenspaces. This did not include any funds for maintenance. There have been discussions about a 10%/thousand levy. At the last Mayor's meeting it was agreed to send a letter to Metro that they were in serious opposition to this fee.
- Mayor Byers wished everyone a Merry Christmas and a Happy New Year!

Adjourn

Mayor Byers adjourned the December 11, 2012 Council meeting at 8:30 p.m. into Executive Session 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on

labor negotiations 192.660(2)(f) to consider information or records that are exempt by law for public inspection. He announced they would not be coming back into public session.

The next City Council meeting was adjourned to _____, 2012, at 7:00 p.m.

Approved by the Mayor this _____ day of _____, 2013.

Attest:

Mayor

Assistant City Administrator

GLADSTONE CITY COUNCIL MINUTES OF REGULAR MEETING – January 8, 2013

ROLL CALL

The following city officials answered the roll call: Mayor Wade Byers and Councilors Hal Busch, Ray Jaren, Kari Martinez, Thomas Mersereau, and Lendon Nelson.

After receiving the oath of office: Neal Reisner

STAFF

Pete Boyce, City Administrator; Rhonda Bremmeyer, Senior Center Director; David Doughman, City Attorney; Jolene Morishita, Assistant City Administrator; Clay Glasgow, City Planner; Jim Pryde, Police Chief; Maria Aikin, Police Department Executive Assistant; Wayne Lawrence, Police Sergeant; Stan Monte, Interim Fire Chief; and Scott Tabor, Public Works Director.

Mayor Byers led the flag salute.

OATH OF OFFICE

Municipal Court Judge Linda Beloof administered the oath of office to new Councilors Len Nelson, Thomas Mersereau, and Neal Reisner.

COUNCIL PRESIDENT ELECTION

Councilor Martinez moved to elect Councilor Ray Jaren to the office of Council President. Council President Ray Jaren was elected unanimously.

BUSINESS FROM THE AUDIENCE -- None.

CONSENT AGENDA

Item(s) Removed from the agenda: None

1. Approval of October 9, 2012 and November 13, 2012 Minutes
2. Designation of Terms to Expire on Budget Committee and Library Board
3. Appointment to Advisory Boards, Committees and Commissions:
 - a. Budget Committee (one application received for two positions)
 - b. Senior Center Advisory Committee (one application received for three positions)
4. Payment of Claims

*Councilor Jaren moved and Councilor Martinez seconded a motion to approve the Consent Agenda consisting of Items 1 through 4 as presented.
Motion Passed unanimously.*

CORRESPONDENCE

5. Letters/e-mails from Rose Johnson

REGULAR AGENDA

6. Planning Commission Recommendation – Denial of Comprehensive Plan Change and Zone Change from Single Family Residential, R-6 to Commercial, C-3 – (North side of Arlington

Street from Columbia Avenue to 82nd) Z0549-MCP & Z0550-12Z. City Attorney David Doughman explained the hearing format. He asked if there were any ex-parte contacts or conflicts of interest to declare. Councilors Busch and Nelson declared they have used the services of Gold Wrench but did not feel it would impair their ability to hear this issue. Councilor Reisner recused himself from this hearing because he heard the issue when he was on the Planning Commission. City Attorney Doughman asked the audience if they wished to make a challenge of any council member's impartiality or ability to participate. There was no response. He asked if there were any objections to the Council's jurisdiction to consider this matter. There was no response.

Staff Report: Clay Glasgow, City Planner reported the Council packet included the original application materials, staff report, summary, and other information. The proposed change for the Comprehensive Plan will be commercial and for the zone C-3, General Commercial. The site consists of five properties owned by the applicant that is general residential use. The site is flat, no remarkable natural features, and all public facilities are in place. Chapter 17.68 of the Municipal Code Council outlines the approval criteria.

The process consists of a Planning Commission public hearing, testimony from residents, staff report and application to arrive at a recommendation to pass on to the City Council. The City Council is the decision making body. Once a recommendation is received from the Planning Commission Council will hold at least one more public hearing prior to arriving to a final decision.

The Planning Commission met in November and forwarded a recommendation of denial to City Council. Comp Plan policy 5(c) states an amendment to the plan shall be treated like a zone change, the same procedure for a zone change shall be adopted. The Zoning Ordinance process requires the applicant to provide evidence that the proposal fulfills a public need, that the public need is best carried out by granting the proposed action, the action is consistent with the Comprehensive Plan and Metro's Functional Plan, proof of significant change in a neighborhood or community or mistake in the planning or zoning for the subject site, and property not provided with or concurrent with development that could be provided with adequate public services. The Comprehensive Plan has additional requirements relative to State-wide Planning Goals.

The applicant has submitted lengthy responses to all of the approval criteria and has added information throughout the process. The staff report addresses the same criteria and compares the applicant's responses to local codes and State rules. Testimony in opposition was presented at the Planning Commission hearing in the form of a letter read into the record by a nearby resident and signed by 14 other nearby residents.

APPLICANT'S TESTIMONY

John Lewis, Gold Wrench, 655 East Arlington Street introduced Marty Stiven, Stiven Planning and Development, 14620 Uplands Drive and Lee Sitten.

Marty Stiven, Land Use Planner, submitted additional information for Council review. She has been working several months with the City Planner and he has been very helpful throughout the process. This proposal is good for the City, in the public interest, and legally they meet all the

criteria for approval. Previously submitted was a vacant land analysis to demonstrate why there needs to be additional commercial land. An updated vacant land analysis is being submitted tonight.

The request is to change five developed single-family lots to C-3, general commercial zone to allow future commercial development. Although the proposal was initiated by Gold Wrench owners, the property will accommodate any future commercial development. If the property is rezoned it will be commercial development whether Gold Wrench locates there or not. Council must consider whether the proposal meets the criteria for a zone change and Plan amendment without consideration of the owner or its future use.

Based on the evidence on record and the presentation staff has agreed the request is consistent with the Comprehensive Plan policies, Metro's Functional Plan, and that all of the services can be provided including an adequate transportation system. In order to prosper and accommodate a growth with new businesses and continue to attract new businesses, a variety of commercial properties need to be available throughout the City. Without availability businesses could be forced to go elsewhere. To attract new business and accommodate the existing businesses that need to expand there needs to be variety of land choices for all kinds of business. New business allows residents to continue to shop and use local services and products; introduces travel times for residents of the City; and allows them to stay close to home to shop and receive services; increases the City's revenues through permits, increased property values and licensing; and will attract new employees and new residents to Gladstone. All are in the public interest.

Gladstone has three primary commercial districts (Portland Avenue, McLoughlin Avenue, and along I-205). Existing commercial sites in Gladstone do not fit the need of this proposal or development of any kind. This zone change and Comp Plan amendment would result in the loss of five housing lots. 63% of the land supply is zoned single-family residential. The impact of the loss of five houses will not impact the land supply. There is in fact a public need. The public need can be served by the addition of the commercial land supply. Gold Wrench has met all the requirements.

Through the design review process development of the subject site could be developed without any negative impacts on the adjacent housing or such impacts could be mitigated. The applicant is willing to work with the neighbors; design review will include neighbor comments; and design review will input ways to mitigate those impacts. The opposing letter talked about property values and there is no evidence in the record that property values would change. The letter mentioned the fence was in disrepair and that has been taken care of.

Staff has concurred that the applicant meets the original criteria and the applicant has demonstrated that this proposal is in the public interest. Other businesses in the City have submitted letters supporting the applicant. These letters were submitted to the Council. This proposal will raise more revenue through city business taxes to help the City with its budget.

QUESTIONS FROM THE COUNCIL

- Will design review allow residents input on the proposal? Answer: Ms. Stivens stated the residents for sure will have the opportunity for input.

TESTIMONY IN FAVOR -- None.

TESTIMONY IN OPPOSITION

Vivian Milano, 615 E. Berkley read a letter asking the Planning Commission to deny the request for zone change. There is no need for this property to have a zone change as it will be detrimental to all the residents directly behind the subject property. Council was asked to consider the effects of this zone change. Should families be displaced so Gold Wrench can move across the street. The applicant owns property 630 E. First Street where they could add on to his building there. An unsightly wall is not wanted by the neighbors nor do they want their back yards subject to the noise of a mechanic shop. Most of them are senior citizens and it would pose a hardship as the neighborhood would become undesirable to live in and the quality of life will change. The letter was submitted into the record.

Corinne Milano, daughter of Vivian and Ed Milano stated tonight is the first meeting she has attended on this issue. It is clear that Gold Wrench will move to the property not speculation.

Jeff Matychuck, 655 E. Berkley lives directly behind the subject property. If there is a zone change there could be a tavern behind him or his neighbors. An 8-foot fence is not protection nor is it something he would like to look at. He likes looking out back and seeing rooflines, trees, and neighbors.

APPLICANT REBUTTEL

Lee Sitten, General Contractor, Builder and Developer is working with John and Jay Lewis. It is common that the residents in an area like this don't like to see things change because they are uncertain about what is going to happen. The process is to consider this zone change and not the development. There will be buffering and landscaping that will mitigate the property line.

QUESTIONS FROM COUNCIL

- Is it possible to consider a larger area of rezoning and having commercial be on both sides of the block? Answer: Ms. Stiven noted it is an established land use pattern to split the blocks in half. In this case there are a lot of opportunities to mitigate the impacts.

ADDITIONAL TESTIMONY

Corinne Milano noted if this zone change is approved and ten years from now the applicant goes out of business, any business can locate there.

Cindy Isbell, 660 E. Berkley stated that the Milano's are not the only people in opposition. She signed the first and second letter as well as 13 other people. There are other people to consider besides the Milano's. The character of Gladstone will change by adding this commercial property.

Robin Bragg, 280 E. Jersey is not in favor or in opposition to this application. Is there is a lesson to be learned by asking the residents behind Al's what changes they experienced by having a business next to a residence. How was that business allowed in a residential area? Mayor Byers explained Al's was pre-existing to the written zoning ordinance.

Maryanna Moore, 18340 Cornell Place noted if the entire block is made commercial the next block will be looking out the front of their windows at commercial property. If a half of block is made commercial the back yards of the residential properties are impacted.

APPLICANT REBUTTAL

Ms. Stiven stated she hears the concerns of the neighbors. The applicant has developed commercially in this area and have been an influence in this neighborhood for a very long time. She asked Council to consider the criteria for approval and the need for additional commercial land. The applicant will work with the neighbors to make this very compatible. The proposed development will face onto commercial and they will work very hard to mitigate across the back property line.

Mayor Byers closed the public hearing at 8:23 p.m.

COUNCIL DISCUSSION AND DECISION

Councilor Jaren noted in light of the suggestion to change the zoning for the entire block, should the application be remand back to the Planning Commission to see what the neighbors thought of the idea. Councilor Martinez is in favor of splitting the block and having the commercial development in the backyards not the front. If Council agreed with this zone change and studied the area for commercial zones in the future adding commercial zoning to the City gives additional money for the City. Mayor Byers noted it takes a lot of development to make a difference in tax revenue.

Councilor Busch noted there is a need for more commercial land and the application points that out. The letters of support are from businesses in Gladstone which indicates that there is a need for more commercial land. Councilor Mersereau thinks it is important to work with businesses and get businesses more involved with how Gladstone functions. They can be a big part in how Gladstone grows.

City Planner Glasgow reported the Comprehensive Plan took a long time to complete. The bar is set high to change a Comprehensive Plan boundary. The applicant has submitted quite a bit of information and testimony in an attempt to show the need exists. Council makes the decision whether the applicant has been successful. It is important to keep this application and any consideration for an additional boundary change separate. To include the whole block in the zone change would require a completely new application.

Councilor Nelson moved and Councilor Martinez seconded a motion to approve the Comprehensive Plan Change and Zone Change from Single Family Residential, R-6 to Commercial, C-3 – (North side of Arlington Street from Columbia Avenue to 82nd) Z0549-MCP & Z0550-12Z with findings as noted in the staff report.

Roll: Jaren, Aye; Mersereau, Nay; Martinez, Aye; Busch, Aye; Nelson, Aye; Mayor Byers; Aye. Motion carried 5-1 with one abstention. Councilor Reisner recused himself.

Recess was taken and the meeting reconvened at 9:15 p.m.

7. City Hall/Police Station Space Needs Analysis Legal Opinion/Discussion. City Administrator Boyce reported Council asked staff to review space needs at the City Hall/Police Station facility.

Group McKenzie was hired to do this review. The report was included in Council's packet along with a letter from City Attorney Heather Martin.

Jeff Humpreys, Associate Principal with Group McKenzie is the senior architect for public projects team and he introduced Brett Hanson, Project Manager. They specialize in emergency response facilities and civic structures. They completed a study in 2012 that was commissioned by the City. Professional Group Consultants Inc. was to look at the existing structure, the existing capacity associated with it, and do a forecast as to what was wrong with it, what needed to be improved and what the associated costs were. They found the roof failing, structural issues, violations in current energy code requirements, and did not meet ADS accessibility requirements. The cost associated with repairs was \$3 million. He submitted a 20-page document to the Council.

Brett Hanson reported the process includes an examination of the existing 2-story structure. The existing city offices, court, and police square footage is approximately 12,000 sf. There are 5 parking stalls on the site that is allocated to Police Staff. Consideration is given to primary function of safety, adjacencies, security, etc. They focused on essential facility nature or requirement of the building, envelope requirements and roofing. Primary concerns found are no dedicated on-site public parking, no dedicated city employee parking, and no secure parking for police vehicles and equipment. Wayfinding was found coming into the building and within the building. The police building lacks in operational space. In the city hall portion they found that circulation factors were inefficient.

Questionnaires were filled out to determine the current needs and current deficiencies. A number of scenarios are considered for growth. They identified the space needs for the City Hall and the Police Department and presented those to Council for review and decision. The next steps are evaluation of the existing building as a renovation or remodel or seeking to look at a new site for a new structure.

QUESTIONS FROM COUNCIL

- Does the Police Chief and City Administrator endorse the validity of the study? Answer: City Administrator Boyce noted the study enlarges City Hall slightly; 20 years out there is the possibility of adding a staff member. He feels it is reasonable. Police Chief Pryde reported he and Sergeant Lawrence visited other police departments in the region to see the work, design, adjacencies, flow, efficiencies, and openness. Most of these sites Group McKenzie were involved with the work. He feels the proposal is truly what they need.
- Does the extra space between years 10 to 20 reflect mostly those five additional permanent full-time officers or does it give a fair amount of space or new space for reserve officers? Answer: Brett Hanson noted when they go through the process of looking at both reserves and volunteers, shared space has been built into the program. The growth seen in the 10 to 20 growth will be permanent staff counts.
- Is the structure built for year 10 and then added on to for the next 10 years or is it built for all 20 years. Answer: Mr. Hanson stated it depends on the site and how you look at it from a growth perspective. There are different ways to look at what you grow, how you grow and what is done in the future. Often cost is the key factor.

- Were you involved with the Sherwood PD? Answer: Mr. Hanson stated they were not involved with that PD but have toured about every PD in the region.
- Is there a recommendation that the facilities should be together or separate? Mr. Hanson stated it could be done either way.
- If the Police Station was renovated to code would the City Hall have to reach that level? Mr. Hanson stated both sides would have to meet codes. The savings will be in about the 20% range if the buildings are done separately. It is more efficient to remain together. The structure could appear to be one structure but from a structural standpoint it can be two structures with a seismic joint between them.
- Can there be a parking structure underneath if there is a seismic wall between the buildings. Mr. Hanson said yes, it would be better to have it as a single-story structure. There are multi-story facilities that have a parking structure underneath.

City Attorney Doughman reported his office prepared a memo based on what they understood to be an offer in terms of possible demo and rebuild of city hall at the existing location. The Charter amendments are very general in discussion. With information given tonight it seems quite likely that the Charter amendments would come into play. It is subject to discussion that there would be some element of what the City would be paying over time that would be recouping the individual for the cost of constructing the building. The City would be the majority if not sole tenant of the building. He does not think by leasing property, particularly property that would be rebuilt and essentially leased if not solely to the City as a tenant, a vast majority of the square footage would be leased to the City, creates a very material distinction with respect to the charter amendments. There would likely need to be a public vote before that could be entertained. Council will need to express their desire in terms of having more detailed discussions about development.

City Administrator Boyce is concerned that if too much time has passed will the quotes they are getting still be good. The space need analysis will be used for projection costs for construction. Staff will review all their options, make a decision, and get more information from Group McKenzie for a ball park figure. Councilor Jaren asked what would be required to allow alternative bidders on this kind of proposal. City Attorney Doughman assumes the property would be sold to someone and then leased back. This could be done but it would be a first in Oregon local government circles. There is a process by Statute to declare the property to be surplus and declare the intent to sell for reconstruction purposes. The actual construction of the site may also have a public bidding component to it. City Administrator Boyce asked if the library could be added the project possibly a three story building with library. City Attorney Doughman noted other cities have incorporated into a structure the city administration offices, police department and a library.

Council directed staff to continue to work on the city hall/police station, determine a ballpark figure and project price, continue discussions with Mr. Marsh to determine if the proposal still has merit for the City, and work on a financial analysis to have some options for City Council on financial information. A worksession was scheduled for January 22, 2013 to discuss information from staff.

8. Library Management Outsourcing. City Administrator Boyce submitted information on outsourcing. Council asked him to look into LSSI (Library Systems and Services) to see if it

was an option for Gladstone. This is an option; they could operate under the limitations the City has with the IGA that sets up the library district. The City would continue to own the building, be required to keep up the building, maintain the grounds, and own the collection, computers and contents of the building. The City will likely have to provide janitorial services and provide property insurance. He has met with company representatives and they are not willing to provide specific numbers until Council makes a formal motion or adopts a resolution requesting that information.

Most jurisdictions that go with LSSI are either having financial difficulties or have serious management deficiencies. The City would continue participation in the library network, however the LSSI bottom line will dictate what they would charge if they automate using their own system. The City would have to buy the hardware and software for that system. The City won't be able to trade with local libraries within the county as they trade with other LSSI libraries. The closest of which is in Jackson County. The existing library district allows for inter-library loan and exchange of information.

QUESTIONS FROM COUNCIL

- Will current library employees receive equal pay to what they are receiving now or will they have to take what the LSSI offered. Answer: If LSSI were to take over all of the existing library staff would be eliminated and will have to be evaluated by LSSI to reapply. There are varying opinions on the use of LSSI, some good and some not good. The public loses some control by going with LSSI.

City Attorney asked Council for direction on how to proceed with this issue. The City is in the situation where they are operating without a library director.

PUBLIC COMMENTS

Nancy Eichsteadt, Gladstone Library Foundation President, 665 Barbary Place pointed out there are 30 volunteers at the library. You lose the connection to the community and volunteers when you outsource. They will be honoring the volunteers at a Tea on January 17, 2013. These 30 volunteers have contributed over 2,292 hours to the library this year alone. If you take minimum wage, it equals to over \$20,000 the volunteers have helped with towards the library. There would be no reason to have volunteers with a for-profit community. She received a note from Jim Shefkey, former State Librarian and his experience in examining this issue is that LSSI or any similar operation has zero incentive to do anything beyond the bare minimum in services and hours. Jackson County library is open 8 hours a week. Medford Library is only open four days a week for a total of 24 hours.

Penny Hummel, 316 NE 24th Avenue, Portland stated she is the library director in Canby (LINCC library director), a member of the Library District Advisory Committee (advisory board for the library district), and president elect of the Oregon Library Association. She has concerns about the prospect of privatization of one of our public libraries here in Clackamas County. She commended the City for investigating LSSI for transparency, local control, what happens to employees, benefits and salary, level of service, and decisions as to a financial bottom line for a for-profit company versus public good. For over 200 years public libraries have earned the respect of residents they serve. In the library profession they are very concerned about the prospect of privatization because it seems to cut at the very fiber of what public libraries are all about. The guiding principle of a library director is look at what's best for the customers and

how to provide that service. There have been discussions about privatizing or working with LSSI and it resulted in many unanswered questions. There are IGA (intergovernmental agreements) between the cities and the county that allow those who work for the cities to receive funding that the voters overwhelmingly approved in 2008.

Elizabeth Taylor, 14131 SE Arista Drive, Milwaukie is a patron of the Gladstone Library. The City is going to be required to maintain the building. The building is the reason a needs assessment was done as it does not meet City needs. If the City is required to maintain the building can LSSI come in and make the City change the building to meet their needs. Will this result in loss of control over the finances of the building and will the building meet both requirements? Will the City have to spend funds to upgrade the building to meet both requirements?

The building may pose a financial impact to the City that may offset any savings by outsourcing employees. Outsourcing the employees to LSSI removes them from being employees of the City. They can apply to become an employee of LSSI. If they are hired by LSSI and the City wants to take the library back, they cannot rehire those employees. They may be able to keep a job, but they may not be able to keep a career if the City wants to take the library back. If budgeting is the concern, let the Budget Committee reduce the budget. If it is a matter of saving money why not look at it through reducing the budget. The Library Director that the City was looking for before is different than a director that the City needs now. The director before was needed to spearhead building a new library. A different type of person was probably applying for that job than might apply for the job to come in and be the library director of the Gladstone Library.

Craig Seghers, 17400 Webster Road stated that 90% of what he gets from the library comes from outside the library (sent in from being on hold). He will lose this service unless the City can get the County to do this for free for a private firm. If the City wants books brought in they will have to pay the county to do that. With the system under the City's control they can talk to city staff about their concerns. LSSI is a private equity firm, not a public corporation. He is opposed to selling off the library.

Don Tacha, 6135 Glen Echo asked Council if 20 years from now libraries are going to exist as we know them today. What is the point of spending money on new libraries to make a library that is not going to be here? The digital age is going to make libraries extinct. The City will have to pay for another big mistake that isn't going to pan out for anybody. 20 years from now people will get on their computers at home through free internet and get anything they can get from a library. TV 20 years from now will not be on a TV, it will be on a computer. Maybe the library should be several small buildings with computer stations where people can go and surf the internet for free and read all the books they want.

Mary Achartory, 17528 SE Valley View Road stated she is 500 feet out of the city limits. Gladstone Library is her library. She disagrees that in 20 years she will not have to pay for internet service. Libraries will always be needed. Not everyone can afford a computer, not everyone can afford internet service, and not everyone can afford a car. Libraries provide services that people cannot afford. Libraries will always be a necessity; children will always want to have a book in their hands to read.

Councilor Nelson moved and Councilor Jaren seconded a motion to request the City Administrator not pursue library outsourcing.

Councilor Busch suggested the staff to prepare an RFP to have LSSI come and give a presentation and give a proposal to Council to review. Administrator Boyce stated that LSSI would gladly come in give a presentation and bid, but are asking for a formal motion from Council asking them to do so. Councilor Mersereau agrees that more information can be gained from a bid.

Roll: Jaren, Nay; Mersereau, Nay; Martinez, Aye; Reisner, Aye; Busch, Nay; Nelson, Aye; Mayor Byers, Aye.

Motion carried 4-3.

9. Determine City Council Liaison Posts for 2013 (Appointments will be made by Mayor at February City Council Meeting). Mayor Byers reported he will have the appointments at the February Council meeting.
10. Set Date for Midyear Budget Review – January 29th. Mayor Byers reported January 29th is acceptable for a mid-year budget review.
11. Set Date for Town Hall Meeting -- February 26th. City Administrator Boyce asked the Council to submit to him suggested subjects for the Town Hall meeting.
12. City Council Guide Book. Mayor Byers asked staff to put this issue on next month's Council meeting.

BUSINESS FROM THE COUNCIL

- Councilor Reisner attended a work session on “How Local Governments are Run” put on by Portland State. It was good to get together with other councilors from around the state.
- Mayor Byers reported he attended oath of office for the County Commissioners and Assessors. It was a nice event.
- Mayor Byers was invited to a meeting with Senator Merkley to discuss the Community Block Grant process.
- Tomorrow night the Business Association is having their monthly meeting. Mayor Byers stated there will be meetings coming up about the legislature and invited Councilors to attend.

Adjourn

Mayor Byers adjourned the January 8, 2013 Council meeting at 10:55 p.m. into Executive Session ORS 192.660(2)(f) o consider information or records that are exempt by law for public inspection. He announced they would not be coming back into public session.

The next City Council meeting was adjourned to _____, 2013, at 7:00 p.m.

Approved by the Mayor this ____ day of _____, 2013.

Attest:

Mayor

Assistant City Administrator

City of GLADSTONE

Date: February 6, 2013

To: Mayor Byers and City Council

From: Pete Boyce, City Administrator *PB*

Re: Gaffer's Pub Liquor License Application

Gaffer's Pub is requesting a full on – premises sales license. The Police Department has no objection and no call history at this establishment. Staff suggests City Council recommend to the Oregon Liquor Control Commission that this license be granted.

City Hall
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5223
FAX: (503) 650-8938
E-Mail: (last name)@
ci.gladstone.or.us

Municipal Court
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5224 ext. 1
E-Mail: municourt@
ci.gladstone.or.us

Police Department
535 Portland Avenue
Gladstone, OR 97027
(503) 656-4253
E-Mail: (last name)@
ci.gladstone.or.us

Fire Department
555 Portland Avenue
Gladstone, OR 97027
(503) 557-2776
E-Mail: (last name)@
ci.gladstone.or.us

Public Library
135 E. Dartmouth
Gladstone, OR 97027
(503) 656-2411
FAX: (503) 655-2438

Senior Center
1050 Portland Avenue
Gladstone, OR 97027
(503) 655-7701
FAX: (503) 650-4840

City Shop
18595 Portland Avenue
Gladstone, OR 97027
(503) 656-7957
FAX: (503) 722-9078



OREGON LIQUOR CONTROL COMMISSION LIQUOR LICENSE APPLICATION

Application is being made for:

LICENSE TYPES

- Full On-Premises Sales (\$402.60/yr)
 - Commercial Establishment
 - Caterer
 - Passenger Carrier
 - Other Public Location
 - Private Club
- Limited On-Premises Sales (\$202.60/yr)
- Off-Premises Sales (\$100/yr)
 - with Fuel Pumps
- Brewery Public House (\$252.60)
- Winery (\$250/yr)
- Other: _____

ACTIONS

- Change Ownership
- New Outlet
- Greater Privilege
- Additional Privilege
- Other _____

L 168628
P 37803

90-DAY AUTHORITY

Check here if you are applying for a change of ownership at a business that has a current liquor license, or if you are applying for an Off-Premises Sales license and are requesting a 90-Day Temporary Authority

APPLYING AS:

- Limited Partnership
- Corporation
- Limited Liability Company
- Individuals

CITY AND COUNTY USE ONLY

Date application received: _____

The City Council or County Commission:

(name of city or county)

recommends that this license be:

- Granted
- Denied

By: _____
(signature) (date)

Name: _____

Title: _____

OLCC USE ONLY

Application Rec'd by: _____

Date: _____

90-day authority: Yes No

1. Entity or Individuals applying for the license: [See SECTION 1 of the Guide]

① A Triplet Production Inc. ③ _____

② _____ ④ _____

2. Trade Name (dba): Gaffer's Pub

3. Business Location: 18515^{SE} Webster Rd Gladstone Clackamas OR 97027
(number, street, rural route) (city) (county) (state) (ZIP code)

4. Business Mailing Address: 16005 SW Falcon Dr. Beaverton OR 97007
(PO box, number, street, rural route) (city) (state) (ZIP code)

5. Business Numbers: (503) 657-4735 (pub) (503) 516-5295 cell (503) 430-2472
(phone) (fax)

6. Is the business at this location currently licensed by OLCC? Yes No

7. If yes to whom: A Triplet Production Inc. Type of License: Limited

8. Former Business Name: N/A

9. Will you have a manager? Yes No Name: N/A
(manager must fill out an Individual History form)

10. What is the local governing body where your business is located? Gladstone
(name of city or county)

11. Contact person for this application: Alan Busted (503) 516-5295
(name) (phone number(s))

16005 SW Falcon Dr, Beaverton OR (503) 430-2472 abusted@comcast.net
(address) 97007 (fax number) (e-mail address)

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant(s) Signature(s) and Date:

① Alan Busted Date 12/12/12 ③ _____ Date 2-2

② _____ Date _____ ④ _____ Date _____



OREGON LIQUOR CONTROL COMMISSION
CORPORATION QUESTIONNAIRE

Please Print or Type

Corporation Name: A Triplet Production Inc. Year Incorporated: 2005

Trade Name (dba): Gaffer's Pub

Business Location Address: 18515 Webster Rd

City: Caladstone ZIP Code: 97027

List Corporate Officers:

Alan BUSTEED
(name)

Alyce Schneibel

President
(title)

Sec/treas

List Board of Directors:

Alan BUSTEED
(name)

Alyce Schneibel

List Stockholders: (Note: If any stockholder is another legal entity, that entity may also need to complete another Corporation Questionnaire. See Liquor License Application Guide for more information.)

Stockholders:	Number of Shares Held:
<u>Alan BUSTEED</u>	<u>70</u>
<u>Alyce Schneibel</u>	<u>30</u>

Number of Stock Shares:	
Issued:	<u>100</u>
Unissued:	<u>0</u>
Total Shares Authorized to Issue:	<u>0</u>

Server Education Designee: Alan BUSTEED DOB: 9/4/65
(See Liquor License Application Guide for more information)

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Officer's Signature: Alan BUSTEED President Date: 12/12/12
(name) (title)

2-3

20. Trade Name Gaffer's Pub 21. City Gladstone

22. Do you have any arrests or citations that have not been resolved? Yes No Unsure
If yes or unsure, explain here or include the information on a separate sheet.

N/A

23. Have you ever been in a drug or alcohol **diversion program** in Oregon or any other state? (A diversion program is where you are required, usually by the court or another government agency, to complete certain requirements in place of being convicted of a drug or alcohol-related offense.) Yes No Unsure
If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

N/A

24. Do you, or any legal entity that you are a part of, **currently hold** or **have previously held** a liquor license in Oregon or another US state? (Note: a service permit is not a liquor license.) Yes No Unsure
If yes, list the name(s) of the business, the city (or cities) and state (or states) where located, and the date(s) of the license(s). If unsure, explain. You may include the information on a separate sheet.

Gaffer's Fish & Chips, Tigard OR (current), Gaffer's Pub, Gladstone OR (current)

25. Have you, or any legal entity that you are a part of, ever had an application for a license, permit, or certificate **denied or cancelled** by the OLCC or any other governmental agency in the US?
 Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

N/A

Questions 26 and 27 apply if you, or any legal entity that you are part of, are applying for a Full On-Premises, Limited On-Premises, Off-Premises, or Brewery-Public House license. If you are not applying for one of those licenses, mark "N/A" on Questions 26 & 27.

26. Do you have any ownership interest in any other business that makes, wholesales, or distributes alcohol? N/A Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

27. Does, or will, a maker, wholesaler, or distributor of alcohol have any ownership interest in your business?
 N/A Yes No Unsure If yes or unsure, explain:

Question 28 applies if you, or any legal entity that you are part of, are applying for a Brewery, Brewery-Public House, Distillery, Grower Sales Privilege, Warehouse, Wholesale Malt Beverage & Wine, or Winery license. If you are not applying for one of those licenses, mark "N/A" on Question 28.

28. Do you, or any legal entity that you are part of, have any ownership interest in any other business that sells alcohol at retail in Oregon? N/A Yes No Unsure If yes or unsure, explain:

You must sign your own form (you can't have your attorney or a person with power of attorney sign your form).

I affirm that my answers are true and complete. I understand the OLCC will use the above information to check my records, including but not limited to, criminal history. I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature: Alex BnS Date: 12/12/12



OREGON LIQUOR CONTROL COMMISSION
INDIVIDUAL HISTORY

1. Trade Name GAFFER'S PUB 2. City Gladstone
 3. Name Schneibel Alyce Jane
 (Last) (First) (Middle)
 4. Other names used (maiden, other) _____
 5. *SSN _____ 6. Place of Birth _____ 7. DOB ____/____/____ 8. Sex M F
 (State or Country) (mm) (dd) (yyyy)

*SOCIAL SECURITY NUMBER DISCLOSURE: As part of your application for an initial or renewal license, Federal and State laws require you to provide your Social Security Number (SSN) to the Oregon Liquor Control Commission (OLCC) for child support enforcement purposes (42 USC § 666(a)(13) & ORS 25.785). If you are an applicant or licensee and fail to provide your SSN, the OLCC may refuse to process your application. Your SSN will be used only for child support enforcement purposes unless you sign below.

Based on our authority under ORS 471.311 and OAR 845-005-0312(6), we are requesting your voluntary consent to use your SSN for the following administrative purposes only: to match your license application to your Alcohol Server Education records (where applicable), and to ensure your identity for criminal records checks. OLCC will not deny you any rights, benefits or privileges otherwise provided by law if you do not consent to use of your SSN for these administrative purposes (5 USC § 552(a). If you consent to these uses, please sign here:

Applicant Signature: _____

9. Driver License or State ID # _____ 10. State OR
 11. Residence Address 16342 N.W. Joscelyn St. Beaverton OR 97006
 (number and street) (city) (state) (zip code)
 12. Mailing Address (if different) _____
 (number and street) (city) (state) (zip code)
 13. Contact Phone 503-629-8488 14. E-Mail address (optional) None
503-516-0440

15. Do you have a spouse or domestic partner? Yes No
 If yes, list his/her full name: _____

16. If yes to #15, will this person work at or be involved in the operation or management of the business?
 Yes No N/A

17. List all states, other than Oregon, where you have lived during the past ten years: None

18. In the past 12 years, have you been **convicted** ("convicted" includes paying a fine) in Oregon or any other state of driving a car with a suspended driver's license or driving a car with no insurance?
 Yes No Unsure If yes, list the date(s), or approximate dates, and type(s) of convictions.
 If unsure, explain. You may include the information on a separate sheet.

19. In the past 12 years, have you been **convicted** ("convicted" includes paying a fine) in Oregon or any other state of a misdemeanor or a felony? Yes No Unsure
 If yes, list the date(s), or approximate dates, and type(s) of convictions. If unsure, explain. You may include the information on a separate sheet.

2-6

20. Trade Name Graff's Pub 21. City Gladstone

22. Do you have any arrests or citations that have not been resolved? Yes No Unsure
If yes or unsure, explain here or include the information on a separate sheet.

23. Have you ever been in a drug or alcohol **diversion program** in Oregon or any other state? (A diversion program is where you are required, usually by the court or another government agency, to complete certain requirements in place of being convicted of a drug or alcohol-related offense.) Yes No Unsure
If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

24. Do you, or any legal entity that you are a part of, **currently hold** or **have previously held** a liquor license in Oregon or another US state? (Note: a service permit is not a liquor license.) Yes No Unsure
If yes, list the name(s) of the business, the city (or cities) and state (or states) where located, and the date(s) of the license(s). If unsure, explain. You may include the information on a separate sheet.

Alma's Ent., Inc. dba Gaffers Rest. & Lounge, Tigard, OR 97223

25. Have you, or any legal entity that you are a part of, ever had an application for a license, permit, or certificate **denied or cancelled** by the OLCC or any other governmental agency in the US?
 Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

Questions 26 and 27 apply if you, or any legal entity that you are part of, are applying for a Full On-Premises, Limited On-Premises, Off-Premises, or Brewery-Public House license. If you are not applying for one of those licenses, mark "N/A" on Questions 26 & 27.

26. Do you have any ownership interest in any other business that makes, wholesales, or distributes alcohol? N/A Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

27. Does, or will, a maker, wholesaler, or distributor of alcohol have any ownership interest in your business?
 N/A Yes No Unsure If yes or unsure, explain:

Question 28 applies if you, or any legal entity that you are part of, are applying for a Brewery, Brewery-Public House, Distillery, Grower Sales Privilege, Warehouse, Wholesale Malt Beverage & Wine, or Winery license. If you are not applying for one of those licenses, mark "N/A" on Question 28.

28. Do you, or any legal entity that you are part of, have any ownership interest in any other business that sells alcohol at retail in Oregon? N/A Yes No Unsure If yes or unsure, explain:

You must sign your own form (you can't have your attorney or a person with power of attorney sign your form).

I affirm that my answers are true and complete. I understand the OLCC will use the above information to check my records, including but not limited to, criminal history. I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature: Amy J. Albersheim Date: 12-13-12



OREGON LIQUOR CONTROL COMMISSION BUSINESS INFORMATION

Please Print or Type

Applicant Name: A TRIPLET PRODUCTION INC. Phone: (503) 516-5295

Trade Name (dba): GAFFER'S PUB

Business Location Address: 18515 WEBSTER RD

City: GLADSTONE ZIP Code: 97027

DAYS AND HOURS OF OPERATION

Business Hours:

Sunday	<u>10am</u> to <u>10pm</u>
Monday	<u>10am</u> to <u>10pm</u>
Tuesday	<u>10am</u> to <u>10pm</u>
Wednesday	<u>10am</u> to <u>10pm</u>
Thursday	<u>10am</u> to <u>10pm</u>
Friday	<u>10am</u> to <u>12pm</u>
Saturday	<u>10am</u> to <u>12pm</u>

Outdoor Area Hours: N/A

Sunday	_____ to _____
Monday	_____ to _____
Tuesday	_____ to _____
Wednesday	_____ to _____
Thursday	_____ to _____
Friday	_____ to _____
Saturday	_____ to _____

The outdoor area is used for:

- Food service Hours: _____ to _____
- Alcohol service Hours: _____ to _____
- Enclosed, how _____

The exterior area is adequately viewed and/or supervised by Service Permittees.

(Investigator's Initials)

Seasonal Variations: Yes No If yes, explain: _____

ENTERTAINMENT

Check all that apply:

- | | |
|--|--|
| <input type="checkbox"/> Live Music | <input type="checkbox"/> Karaoke |
| <input checked="" type="checkbox"/> Recorded Music | <input checked="" type="checkbox"/> Coin-operated Games |
| <input type="checkbox"/> DJ Music | <input checked="" type="checkbox"/> Video Lottery Machines |
| <input type="checkbox"/> Dancing | <input type="checkbox"/> Social Gaming |
| <input type="checkbox"/> Nude Entertainers | <input type="checkbox"/> Pool Tables |
| | <input type="checkbox"/> Other: _____ |

DAYS & HOURS OF LIVE OR DJ MUSIC

N/A

Sunday	_____ to _____
Monday	_____ to _____
Tuesday	_____ to _____
Wednesday	_____ to _____
Thursday	_____ to _____
Friday	_____ to _____
Saturday	_____ to _____

SEATING COUNT

Restaurant: 42 Outdoor: _____

Lounge: 6 Other (explain): _____

Banquet: _____ Total Seating: 48

OLCC USE ONLY

Investigator Verified Seating: _____(Y) _____(N)

Investigator Initials: _____

Date: _____

I understand if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature: Alexis B. Smith Date: 12/12/12

1-800-452-OLCC (6522)

www.oregon.gov/olcc

2-8
(rev. 12/07)

2011 ORS § 471.313¹

Grounds for refusing to issue license

The Oregon Liquor Control Commission may refuse to license any applicant under the provisions of this chapter if the commission has reasonable ground to believe any of the following to be true:

- (1) That there are sufficient licensed premises in the locality set out in the application, or that the granting of a license in the locality set out in the application is not demanded by public interest or convenience. In determining whether there are sufficient licensed premises in the locality, the commission shall consider seasonal fluctuations in the population of the locality and shall ensure that there are adequate licensed premises to serve the needs of the locality during the peak seasons.
- (2) That the applicant has not furnished an acceptable bond as required by ORS 471.311 (Application for license) or is not maintaining the insurance or bond required by ORS 471.168 (Certain licensees required to maintain liquor liability insurance or bond).
- (3) That, except as allowed by ORS 471.392 (Definitions for ORS 471.392 to 471.400) to 471.400 (Exceptions to prohibition of financial assistance), any applicant to sell at retail for consumption on the premises has been financed or furnished with money or property by, or has any connection with, or is a manufacturer of, or wholesale dealer in, alcoholic liquor.
- (4) That the applicant:
 - (a) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances to excess.
 - (b) Has made false statements to the commission.
 - (c) Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.
 - (d) Has been convicted of violating any of the laws, general or local, of this state or another state if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license.
 - (e) Has maintained an insanitary establishment.

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- (f) Is not of good repute and moral character.
 - (g) Did not have a good record of compliance with the alcoholic liquor laws of this state and the rules of the commission when previously licensed.
 - (h) Is not the legitimate owner of the business proposed to be licensed, or other persons have ownership interests in the business which have not been disclosed.
 - (i) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.
 - (j) Is unable to read or write the English language or to understand the laws of Oregon relating to alcoholic liquor or the rules of the commission.
- (5) That there is a history of serious and persistent problems involving disturbances, lewd or unlawful activities or noise either in the premises proposed to be licensed or involving patrons of the establishment in the immediate vicinity of the premises if the activities in the immediate vicinity of the premises are related to the sale or service of alcohol under the exercise of the license privilege. Behavior which is grounds for refusal of a license under this section, where so related to the sale or service of alcohol, includes, but is not limited to obtrusive or excessive noise, music or sound vibrations; public drunkenness; fights; altercations; harassment; unlawful drug sales; alcohol or related litter; trespassing on private property; **and** public urination. Histories from premises currently or previously operated by the applicant may be considered when reasonable inference may be made that similar activities will occur as to the premises proposed to be licensed. The applicant may overcome the history by showing that the problems are not serious or persistent or that the applicant demonstrates a willingness and ability to control adequately the premises proposed to be licensed and patrons behavior in the immediate vicinity of the premises which is related to the licensee's sale or service of alcohol under the licensee's exercise of the license privilege. [Formerly 471.295; 2001 c.785 §1; 2011 c.165 §1]

...

(formerly 471.295)

Notes of Decisions

Under Former Similar Statute (ORS 472.160 [bad link])

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The commission need not issue all of its statutory quota of licenses to all qualified applicants on a first-come, first-served basis, and could properly consider the public interest or convenience in terms of the future, as well as the present. *Battle Creek Golf Course v. Ore. Liquor Control Comm.*, 21 Or App 179, 534 P2d 204 (1975)

The order refusing an applicant must clearly and precisely state what the commission found to be the facts and why those facts lead it to the decision it makes. *Graham v. Ore. Liquor Control Comm.*, (1975) 20 Or App 97, 530 P2d 858; *Battle Creek Golf Course v. Ore. Liquor Control Comm.*, 21 Or App 179, 534 P2d 204 (1975)

Evidence, inter alia, that applicant stated he would go under the table to buy a license demonstrated lack of honesty in dealings with public bodies and was sufficient to show that applicant was not of good moral character. *Schmitz v. OLCC*, 30 Or App 563, 567 P2d 591 (1977)

Public interest does not include preventing passerby exposure to consumption of alcoholic beverages. *Red Robin Enterprises v. OLCC*, 55 Or App 720, 639 P2d 710 (1982)

In General

For the purposes of this section, conviction occurs when a party has had judgment entered and the conviction will stand until and unless reversed on appeal. *Sportservice Corp. v. Ore. Liquor Control Comm.*, 15 Or App 226, 515 P2d 731 (1973), Sup Ct review denied

The language has reasonable ground to believe does not require finality of a conviction by exhaustion of appeal. *Sportservice Corp. v. Ore. Liquor Control Comm.*, 15 Or App 226, 515 P2d 731 (1973), Sup Ct review denied

Provisions allowing refusal of license if sufficient licensed premises are in locality or if license is not demanded by public convenience are not enforceable in absence of agency rule providing statutory terms with greater specificity. *Sun Ray Drive-in Dairy, Inc. v. Ore. Liquor Control Comm.*, 16 Or App 63, 517 P2d 289 (1973)

The negative context of this section implies that an applicant is entitled to a license so long as certain circumstances set out in the statute or implemental regulations are not shown to be true. *Sun Ray Drive-in Dairy, Inc. v. Ore. Liquor Control Comm.*, 16 Or App 63, 517 P2d 289 (1973)

2-11

Atty. Gen. Opinions

In General

Sanitation inspections by Oregon Liquor Control Commission and Health Division, (1974) Vol 37, p 123

Law Review Citations

In General

53 OLR 465 (1974)

Chapter 471

Atty. Gen. Opinions

Employment by OLCC of staff member as hearings advocate at certain OLCC contested case hearings, (1983) Vol 44, p 1

Law Review Citations

16 WLR 479 (1979)

Related Statutes³

- 471.168
Certain licensees required to maintain liquor liability insurance or bond
- 471.292
Characteristics of license
- 471.297
Temporary letter of authority on change of ownership
- 471.302
Temporary letter of authority for off-premises sales license applicant

5-12

- 471.329
Serious and persistent problems involving noise as grounds for discipline of licensee or applicant
- 471.331
Notice to licensee when refusal to renew or suspension or cancellation of license based on adverse neighborhood impact
- 471.333
Effect of sanitation violations
- 471.412
Allowing visibly intoxicated person to consume alcoholic beverages

¹ Legislative Counsel Committee, *CHAPTER 471—Alcoholic Liquors Generally*, <http://www.leg.state.or.us/ors/471.html> (2011) (last accessed Mar. 25, 2012).

² Legislative Counsel Committee, *Annotations to the Oregon Revised Statutes, Cumulative Supplement - 2011, Chapter 471*, <http://www.leg.state.or.us/ors/annos/471ano.htm> (2011) (last accessed Mar. 25, 2012).

³ OregonLaws.org assembles these lists by analyzing references between Sections. Each listed item refers back to the current Section in its own text. The result reveals relationships in the code that may not have otherwise been apparent.

Currency Information

by WebLaws.org
www.oregonlaws.org

2-13

APPOINTMENT TO PLANNING COMMISSION
February 6, 2013

One four year term on the Planning Commission, term to expire 12-31-15, is vacant with the resignation of Aaron Huddart.

Section 2.28.020 of the GMC requires the seven members of the Planning Commission be residents of the city and appointed by the City Council on the basis of their qualifications to serve in such capacity.

Section 2.28.080 of the GMC, "*Consideration of qualifications for membership*", states:

- 1. In selecting individuals for membership on the Planning Commission, the City Council shall give preference to those individuals who possess a particular competence in the field of municipal planning by way of their profession, trade or prior or present governmental service.*
- 2. No more than two voting members shall be engaged principally in the buying, selling or developing of real estate for profit as individuals, or be members of any partnership, or officers or employees of any corporation that is engaged principally in the buying, selling or developing of real estate for profit.*
- 3. No more than two voting members shall be engaged in the same kind of business, trade or profession.*

Current Planning Commission members:

Patrick McMahon. Patrick is a Problem Solver for the City of Portland Bureau of Fire, has lived in Gladstone for 14 years, was appointed to the Planning Commission in 2011, currently serves on the city's Budget Committee and was a Gladstone Volunteer Fire Captain from 1998 to August 2010.

Kirk Stempel was first appointed December 2008, has lived in Gladstone for 13 years, is employed by Gladstone Fire Department, President of the Gladstone Fire Association and a current member of the Traffic Safety Commission.

Tamara Stempel was originally appointed August 2005, has lived in Gladstone for 22+ years and is the Director of Green Building Services.

Kim H. Sieckmann. Kim was originally appointed in March, 2001, reappointed in 2002 and 2006 and 2010, is employed as a boilermaker.

Michele Kremers. Michele is a Marylhurst University College Professor, has lived in Gladstone for 11 years and is a member of the New Library Design and Library Arts Committees. Appointed in 2012.

Sean McDonnell. Sean is a Property Manager for Cambridge Real Estate Services and has lived in Gladstone since July 2008. Appointed in 2012.

Applications for appointment to the Planning Commission have been received from:

Craig Seghers, 17400 Webster Rd, #4. Craig is a land surveyor – unemployed, apartment maintenance, scrap metal salvage and other temporary jobs. Craig has lived in Gladstone for 16 years and indicated why he would like to serve is civic responsibility – to increase public participation in local government.

RECOMMENDATION: Appoint Craig Seghers to the vacant four year term that expires 12/31/15.

APPOINTMENTS TO SENIOR CENTER ADVISORY BOARD
February 6, 2013

Please be advised two (3) three-year terms on the Senior Center Advisory Board are vacant, both terms to expire 12-31-14.

The Senior Center Advisory Board consists of nine (9) members, a minimum of five of whom must be city residents and five must be 55 or older. Board members are appointed to three year terms by the Mayor with approval of the Council.

Duties of the Senior Center Advisory Board include:

- ◆ Advise the City Council and Senior Center staff on matters affecting programs and policies.
- ◆ Provide for educational, recreational, nutritional, social and cultural needs of older citizens, and promote friendliness between individuals and groups who participate in Senior Center activities.
- ◆ Ascertain the needs of older persons, coordinate and mobilize public and private resources, and develop and maintain such programs.
- ◆ Develop opportunities for volunteer involvement by all individuals.
- ◆ Assure cooperation with the city and other agencies to provide enhanced senior services.
- ◆ Authorize the spending of any funds donated to or earned by the corporation for any purpose consistent with Senior Center policies and Oregon law.
- ◆ Advise the Senior Center Manager regarding the management and use of the Senior Center facility, its programs and tram policies.

Applications to the Senior Center Advisory Board have been received from the following:

- Elaine Hermens is the co-owner of High Rocks Restaurant, 915 E. Arlington and has been in business for 21 years in Gladstone.
- Colette Umbras, 7515 Ridgewood Drive, has lived in Gladstone for 30 years and is a retired Human Resources Manager for Multnomah County.

RECOMMENDATION: Appoint the two applicants to terms that expire December 31, 2014.

CITY OF GLADSTONE



APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES

- Budget Committee
- Planning Commission (Review GMC Chapter 2.28)
- Traffic Safety Comm.
- Park & Recreation Board
- Library Board (Review GMC Chapter 2.25)
- Senior Center Advisory Bd.

NAME: Elaine Hemmers

ADDRESS: Res. 915 E. Arhington Gladstone, Or 97027

TELEPHONE: (HOME) 503-557-8256 (WORK) 503-686-1111

EMAIL: hrocks@mail.comcast

HOW LONG HAVE YOU LIVED IN GLADSTONE: 21 in business

OCCUPATION/EMPLOYER (state your specific line of business): Owner High Peds Rest

DESCRIBE YOUR ACTIVITIES AND INTERESTS: Owner High Peds Rest keeps me busy - like to travel & people!

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Gladstone Sr. Center
Chat Festival - partner with other business for event.
Keep set up Gladstone Business Group

Have you ever applied for a Committee Position Before? YES X NO

If yes, when? _____ What Committee? _____

Why would you like to serve on this Commission, Board or Committee?
 (Attach additional materials or information if you wish).

SIGNATURE: Elaine Hemmers DATE: 1-15-2013

3-b-2

CITY OF GLADSTONE

APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES



- Budget Committee
- Planning Commission (Review GMC Chapter 2.28)
- Traffic Safety Comm.
- Park & Recreation Board
- Library Board (Review GMC Chapter 2.25)
- Senior Center Advisory Bd.

NAME: COLETTE Umbras

ADDRESS: 7515 Ridgewood DR, Gladstone

TELEPHONE: (HOME) 503.650.0195 (WORK) n/a

EMAIL: cumbras @ hotmail.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 30+ years

OCCUPATION/EMPLOYER (state your specific line of business): Retired Human Resources Manager for Multnomah County - 30+ years

DESCRIBE YOUR ACTIVITIES AND INTERESTS: Travel, cooking, gardening, reading, Crossword puzzles + Sudoku, card + board games

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Gladstone Public Library Foundation Director (4 years); served as Foundation liaison on New Library Planning + Design Committees; short time as volunteer with Gladstone Police Dept; high school fundraisers; scouts, school + Comm. athletics for kids.

Have you ever applied for a Committee Position Before? YES NO

If yes, when? _____ What Committee? _____

Why would you like to serve on this Commission, Board or Committee? (Attach additional materials or information if you wish).

I would like to continue contributing to my community. I had considerable experience working with Mult. Co. Senior + Disabled Services management + staff, (see attached)

SIGNATURE: Colette Umbras DATE: 2-5-13

APPLICATION FOR APPOINTMENT TO CITIZENS SENIOR
CENTER ADVISORY BOARD

Colette Umbras

Page 2

I have also served 6 years on the Supervisory Committee and on the Board of Directors for Point West Credit Union.

Now that I'm retired I want to continue volunteering in capacities which utilize my skills and experience. Most of my working life was at Multnomah County, where I had responsibility for staff, and for developing and managing the budget for our HR unit. Our work in human resources was to help the department deliver services to the public, often in the face of budget cuts. I have worked in the Human Services Department (Mental Health, Senior and Disabled Services, Developmental Disability Services); Community Justice Department (Probation/Parole, District Attorney's Office, Juvenile Court and Detention Services); Sheriff's Office; Library Services Department; Environmental and Administrative Services Departments.

I am very familiar with many aspects of senior and disabled services – which I believe will allow me a quick start with this Board. I am committed to providing good service for taxpayer dollars, while also looking for ways in which to deliver additional services in the most cost effective way possible.

Thank you for your consideration of this application for the Senior Center Advisory Board.

3-b-4

PROCLAMATION

WHEREAS: The Oregon Falun Dafa Association is a non-profit organization dedicated to the preservation and promotion of traditional Chinese culture, ethics and art through hosting performing arts shows, exhibits, and other events; and

WHEREAS: OFDA is presenting Shen Yun Performing Arts at the Keller Auditorium of Portland, Oregon on April 3 and 4, 2013; and

WHEREAS: Shen Yun performances not only enchant the audience, but also uplift humanity through messages of peace, virtue and harmony as shared with the audience through a creative and fascinating stage presentation; and

WHEREAS: Celebrating the excellence and grandeur of Chinese classical dance and music, Shen Yun, inspired by 5,000 years of traditional Chinese culture, incorporates in its performances ancient heroic legends, modern stories of courage, divinely inspired epics and beautiful cultural dances.

NOW, THEREFORE: I, Wade Byers, Mayor of the City of Gladstone, hereby proclaim

April 3 and 4, 2013 Shen Yun Performing Arts Day

in the City of Gladstone and encourage all citizens to join in this observance.

Attest:

Mayor

Assistant City Administrator



Mayor's Office
Kitty Piercy

City of Eugene
777 Pearl Street, Room 105
Eugene, Oregon 97401-2793
(541) 682-5010
(541) 682-5414 Fax

January 10, 2012

Welcome to the 2012 Shen Yun World Tour performance at the Hult Center. As a classical Chinese dance and music company, Shen Yun Performing Arts brings to Eugene talented performers skilled in traditional Chinese arts.

Shen Yun World Tour celebrates some of China's ancient traditions developed over the course of 5000 years of civilization with dancers and choreographers presenting Chinese classical, ethnic and folk dance to audiences around the world since 2006. The Shen Yun orchestra blends Chinese instruments in the melody, with accompanying western instruments for a rich and mesmerizing sound.

I welcome a broad diversity of art forms to our community and I hope the Shen Yun dancers, musicians and crew enjoy performing in our beautiful Hult Center.

Sincerely,

Kitty Piercy
Mayor



November 29, 2011

Shen Yun Performing Arts
140 Galley Hill Rd.
Cuddebackville, NY 12729 USA

REVIVING 5,000 YEARS OF CIVILIZATION: SHEN YUN PERFORMING ARTS CLASSICAL
CHINESE DANCE AND MUSIC

Greetings to Shen Yun Performing Arts:

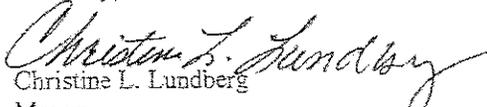
SPRINGFIELD, Oregon – As Mayor of the City of Springfield, I would like to express support for Shen Yun Performing Arts, bringing the culture of China to life, through choreographed dance and music. This art of incredible dancers, costume and orchestral compositions brings alive the artistic tradition of ancient civilization. The value that Shen Yun brings to the community is remarkable.

As we celebrate the traditional Chinese culture through Shen Yun, the beautiful dance display incorporates ancient legends, stories of courage and touching ethnic dances. The dance accompanied entirely by a full orchestra is an art in itself.

The show will entertain its audience in addition to educating and enriching viewers across cultural boundaries.

As Mayor of Springfield, I would like to express my support for this display of Chinese history, traditional culture and art. Thank you for bringing this artistic gift to our region.

Sincerely,


Christine L. Lundberg
Mayor

RON WYDEN
OREGON



UNITED STATES SENATE
WASHINGTON, D. C. 20510

January 9, 2012

Xiaoyang Wang
President
Oregon Falun Data Association
203 SW Hamilton St
Portland, Oregon 97239

Dear Members of the Shen Yun Performing Arts:

It is my understanding that you will be performing in the Shen Yun Performing Arts' 2012 World Tour event at the Hult Center, and I would like to take this opportunity to welcome you to the beautiful city of Eugene, one of the many inspiring cities that I represent in United States Senate.

I know the importance of utilizing diverse cultures to promote peace and mutual understanding throughout the world, and agree that education is an excellent avenue by which to achieve these goals. Clearly, this event will help to foster educational awareness and international cooperation on those common issues facing our planet, and I am delighted that Oregonians will have the opportunity to experience classical Chinese culture through the art of dance and music. As you share a piece of China's 5,000 year history with Americans, I am confident that you will return home with better insight into our country's history and culture.

My best wishes go to the performers and organizers of this stellar event. I hope that you have a magnificent time at the Shen Yun Performing Arts World Tour, and I encourage you to take some extra time to explore our beautiful and unique State of Oregon.

Sincerely,

A handwritten signature in cursive script that reads "Ron Wyden".

Ron Wyden
United States Senator



COMMONWEALTH of VIRGINIA

Office of the Governor

Robert F. McDonnell
Governor

May 5, 2012

Dear Friends at Shen Yun Performing Arts:

On behalf of the Commonwealth of Virginia, I am pleased to extend a warm welcome to the Commonwealth of Virginia as you debut at the Carpenter Theatre in Richmond. Further, I extend a heartfelt welcome to everyone who came to Richmond to experience a magnificent performance and exposition of Shen Yun's various artistic talents.

The Shen Yun Performing Arts 2012 World Tour Day in Richmond highlights a cultural dialogue between the East and the West, and strengthens a foundation for friendship, mutual respect, and appreciation between the Asian and American Nations.

The profound Chinese culture that your company displays through its artistic work celebrates a rich cultural heritage of the Chinese civilization, and shares a unique history of its people with countries worldwide. I commend Shen Yun Performing Arts for your dedicated efforts to enhance cultural appreciation among the American and Chinese nations as you thrill audiences in the Commonwealth with exposition of your creative works.

Virginia is strengthened by the diversity of its residents, and we are blessed to have vibrant and diverse ethnic communities living side by side in harmony. Our fellow citizens have benefited greatly from the cultural experiences as well as friendships shared among our multifaceted nation at all levels.

It is my hope that today's performance will be a great success and will become a cultural phenomenon that entertains and attracts generations of Virginians and visitors to our Commonwealth. Best wishes on a memorable event.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert F. McDonnell".

Robert F. McDonnell

City of Gladstone

Month: January 2013

Payroll	1/31/13	Check	# 72484 - 72536	41,827.08	Payroll
	1/31/13	Direct Deposit		127,393.48	Payroll
				169,220.56	Total

Manual/Month End Checks

	1/14/13	Check	# 72472 - 72475	15,231.91	Manual
	1/18/13	Check	# 72476 - 72481	65,987.81	Manual
	1/23/13	Check	# 72482	1,180.09	Manual
	1/28/13	Check	# 72483	6,374.11	Manual
	1/31/13	Check	# 72537 - 72562	38,978.92	Month End
	1/31/13	Check	# 72563	71.33	Manual
				127,824.17	Total

Urban Renewal Checks

	1/9/13	Check	# 5451 - 5452	3,015.00	UR
	1/18 - 1/23/13	Check	# 5453 - 5454	68,768.92	
				71,783.92	Total

Outstanding Invoices

	02/13/13	Preliminary		115,527.06	Total
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January Monthly

484,355.71 Total

Council Approval

Payroll G/L Distribution Report

User: administrator
Batch: 001-01-2013COMPUTER
City of Gladstone



Account Number	Debit Amount	Credit Amount	Description
Fund 001	GENERAL FUND		
Dept ?			
001-000-140000	48,881.96	0.00	CASH IN BANK
001-000-290000	0.00	127,393.48	DIRECT DEPOSIT LIABILITIES
001-000-290001	0.00	29,376.87	FEDERAL WITHHOLDING W/H
001-000-290002	0.00	40,489.82	SOCIAL SECURITY W/H
001-000-290003	0.00	16,473.72	STATE TAX W/H
001-000-290004	0.00	218.62	WBF WORKDAY ASSESS
001-000-290005	0.00	1,323.19	UNEMPLOYMENT
001-000-290007	0.00	1,888.71	TRI-MET TAX
001-000-290008	0.00	1,075.94	MISCELLANEOUS
001-000-290102	0.00	5,339.00	CREDIT UNION W/H
001-000-290103	0.00	49,678.68	HEALTH INS W/H
001-000-290104	0.00	1,838.61	UNION DUES W/H
001-000-290105	0.00	18,169.09	DEFERRED COMP W/H
001-000-290108	0.00	139.40	LIFE INSURANCE/PU
001-000-290111	0.00	34,624.62	RETIREMENT/PERS
001-000-290112	0.00	3,898.94	RETIREMENT
001-000-290114	0.00	780.00	FIREFIGHTER HOUSE DUES
001-000-290115	0.00	882.36	DISABILITY INSURANCE
001-000-290124	0.00	1,708.39	VEBA HEALTH CONTRIBUTIONS
001-000-290125	0.00	295.00	SECTION 125 FLEX HEALTH
Dept Total:	48,881.96	335,594.44	
001-021-100000	9,245.31	0.00	CITY ADMINISTRATOR
001-021-100500	7,090.00	0.00	ASSISTANT CITY ADMINSTRATOR
001-021-101500	5,530.80	0.00	ADMIN SECRETARY/REC COORDINATO
001-021-102000	4,554.66	0.00	ACCOUNT CLERK (FINANCE)
001-021-102500	11,871.94	0.00	PAYROLL COSTS
Dept Total:	38,292.71	0.00	
001-022-102500	3,112.31	0.00	PAYROLL COSTS
001-022-120500	4,643.10	0.00	MUNICIPAL COURT CLERK
001-022-121000	2,445.37	0.00	ASSISTANT COURT CLERK
Dept Total:	10,200.78	0.00	
001-024-102500	40,430.83	0.00	PAYROLL COSTS
001-024-140000	15,845.46	0.00	POLICE CHIEF
001-024-140500	7,189.13	0.00	POLICE SERGEANT
001-024-141000	14,763.01	0.00	POLICE SERGEANT
001-024-141500	5,903.00	0.00	POLICE SERGEANT
001-024-142000	6,072.30	0.00	POLICE DETECTIVE
001-024-142500	5,449.50	0.00	POLICE OFFICER

Account Number	Debit Amount	Credit Amount	Description
001-024-143000	5,390.90	0.00	POLICE OFFICER
001-024-143500	5,905.65	0.00	POLICE OFFICER
001-024-144000	5,553.30	0.00	POLICE OFFICER
001-024-144500	5,890.54	0.00	POLICE OFFICER
001-024-145000	4,939.00	0.00	POLICE OFFICER
001-024-146000	5,190.00	0.00	POLICE OFFICER
001-024-150000	3,653.00	0.00	POLICE RECORDS CLERK
001-024-150500	107.46	0.00	POLICE RESERVES
001-024-151500	2,007.03	0.00	HOLIDAY PAY
001-024-152500	4,016.60	0.00	OVERTIME
001-024-152600	939.71	0.00	TRAINING OVERTIME
Dept Total:	139,246.42	0.00	
001-025-102500	5,973.62	0.00	PAYROLL COSTS
001-025-170000	1,137.37	0.00	VOLUNTEER FIRE CHIEF
001-025-170300	6,743.10	0.00	FIRE MARSHAL
001-025-171000	21,095.28	0.00	ON-CALL REIMBURSEMENT
Dept Total:	34,949.37	0.00	
001-026-102500	3,363.69	0.00	PAYROLL COSTS
001-026-190000	659.10	0.00	PUBLIC WORKS SUPERVISOR
001-026-190500	4,640.00	0.00	UTILITY WORKER, JOURNEY
001-026-191500	1,306.80	0.00	SEASONAL HELP
Dept Total:	9,969.59	0.00	
001-028-102500	5,235.07	0.00	PAYROLL COSTS
001-028-208500	5,834.00	0.00	SENIOR CENTER MANAGER
001-028-209500	1,973.54	0.00	TRAM DRIVER
001-028-210000	803.61	0.00	OFFICE ASSISTANT
001-028-210500	2,565.31	0.00	NUTRITION CATERER
Dept Total:	16,411.53	0.00	
001-029-102500	10,302.43	0.00	PAYROLL COSTS
001-029-221500	4,238.31	0.00	LIBRARY ASSISTANT II
001-029-222000	3,952.13	0.00	LIBRARY ASSISTANT II
001-029-222500	4,210.46	0.00	LIBRARY ASSISTANT II
001-029-222800	3,726.00	0.00	LIBRARY ASSISTANT I
001-029-223000	3,585.50	0.00	LIBRARY ASSISTANT I
001-029-223200	267.12	0.00	LIBRARY AIDE
001-029-223500	7,360.13	0.00	ON CALL LIB ASSISTANT
Dept Total:	37,642.08	0.00	
Fund Total:	335,594.44	335,594.44	
Fund 003	SEWER FUND		
Dept ?			
003-000-140000	0.00	19,245.07	CASH IN BANK

Account Number	Debit Amount	Credit Amount	Description
Dept Total:	0.00	19,245.07	
003-003-102500	5,966.29	0.00	PAYROLL COSTS
003-003-300300	2,306.84	0.00	PUBLIC WORKS SUPERVISOR
003-003-300700	2,389.60	0.00	UTILITY WKR,JOURNEY/MAINT TECH
003-003-301000	4,760.05	0.00	UTILITY WORKER
003-003-301200	3,822.29	0.00	ACCOUNT CLERK
Dept Total:	19,245.07	0.00	
Fund Total:	19,245.07	19,245.07	
Fund 004	WATER FUND		
Dept ?			
004-000-140000	0.00	21,848.37	CASH IN BANK
Dept Total:	0.00	21,848.37	
004-004-102500	6,938.41	0.00	PAYROLL COSTS
004-004-400300	1,977.30	0.00	PUBLIC WORKS SUPERVISOR
004-004-400700	2,389.60	0.00	UTILITY WKR,JOURNEY/MAINT TECH
004-004-401000	4,640.00	0.00	WATERWORKS, JOURNEY
004-004-401500	4,686.40	0.00	UTILITY WORKER, JOURNEY
004-004-402500	1,216.66	0.00	OVERTIME
Dept Total:	21,848.37	0.00	
Fund Total:	21,848.37	21,848.37	
Fund 005	ROAD & STREET FUND		
Dept ?			
005-000-140000	0.00	12,169.51	CASH IN BANK
Dept Total:	0.00	12,169.51	
005-005-102500	3,530.45	0.00	PAYROLL COSTS
005-005-501500	1,647.76	0.00	PUBLIC WKS SUPERVISOR
005-005-502000	5,011.20	0.00	UTILITY WORKER, JOURNEY
005-005-502300	1,850.00	0.00	SEASONAL HELP
005-005-502500	130.10	0.00	OVERTIME
Dept Total:	12,169.51	0.00	

Account Number	Debit Amount	Credit Amount	Description
Fund Total:	12,169.51	12,169.51	
Fund 008	POLICE/COMMUNC LEVY FUND		
Dept ?			
008-000-140000	0.00	29,096.25	CASH IN BANK
Dept Total:	0.00	29,096.25	
008-008-102500	9,126.61	0.00	PAYROLL COSTS
008-008-800500	5,994.45	0.00	SCHOOL RESOURCE OFFICER
008-008-801500	4,705.00	0.00	POLICE OFFICER
008-008-802500	4,063.23	0.00	MUNICIPAL ORDINANCE SPECIALIST
008-008-802700	4,356.45	0.00	ADMINISTRATIVE ASSISTANT
008-008-803000	714.79	0.00	OVERTIME
008-008-803500	135.72	0.00	HOLIDAY PAY
Dept Total:	29,096.25	0.00	
Fund Total:	29,096.25	29,096.25	
Fund 009	FIRE/EMERG SERVICES LEVY FUND		
Dept ?			
009-000-140000	0.00	8,349.84	CASH IN BANK
Dept Total:	0.00	8,349.84	
009-009-102500	2,633.05	0.00	PAYROLL COSTS
009-009-900500	5,422.00	0.00	VOLUNTEER FIRE COORDINATOR
009-009-901500	294.79	0.00	CONTRACT SERVICES
Dept Total:	8,349.84	0.00	
Fund Total:	8,349.84	8,349.84	
Report Total:	426,303.48	426,303.48	

City of Gladstone
User: administrator

Electronic Clearinghouse
Distribution Report

Printed: 01/28/13 12:11
Batch: 001-01-2013

Account Number	Debit	Credit	Account Description
001-000-140000	0.00	127,393.48	CASH IN BANK
001-000-290000	127,393.48	0.00	DIRECT DEPOSIT LIABILITIES
	127,393.48	127,393.48	
Report Totals:	127,393.48	127,393.48	

Bank Reconciliation

Checks By Date



02/07/2013 - 9:15 AM
User: administrator
Cleared and Not Cleared Checks

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
72472	01/14/2013	BenefitsHelp Solutions		AP		80.00
72473	01/14/2013	Union Security Insurance		AP		188.25
72474	01/14/2013	Gladstone Municipal Court		AP		239.61
72475	01/14/2013	North Clackamas County		AP		14,724.05
72476	01/18/2013	Group Mackenzie		AP		2,598.18
72477	01/18/2013	JLM2		AP		1,150.00
72478	01/18/2013	Merina and Company LLP		AP		2,686.00
72479	01/18/2013	Portland General Electric		AP		6,030.35
72480	01/18/2013	CIS/EBS Trust		AP		50,823.28
72481	01/18/2013	Oregon Executive		AP		2,700.00
72482	01/23/2013	US Postal Service		AP		1,180.09
72483	01/28/2013	Clackamas Fed. Cred.Union		AP		6,374.11
Total						\$88,773.92
Total Checks:						12

Bank Reconciliation

Checks By Date



02/07/2013 - 9:16 AM

User: administrator

Cleared and Not Cleared Checks

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
72537	01/31/2013	Beloof & Haines		AP		3,000.00
72538	01/31/2013	Boyce, Peter		AP		38.60
72539	01/31/2013	Comcast Cable		AP		35.78
72540	01/31/2013	Comcast Cable		AP		101.90
72541	01/31/2013	Comcast Cable		AP		131.46
72542	01/31/2013	Crowley, Jim		AP		350.00
72543	01/31/2013	Axa Equitable/Equi-Vest		AP		18,069.09
72544	01/31/2013	Axa Equitable RIA		AP		3,661.23
72545	01/31/2013	Gladstone Vol Fire Dept		AP		780.00
72546	01/31/2013	Integra Telecom		AP		971.52
72547	01/31/2013	Molina, Geneva		AP		135.00
72548	01/31/2013	Sprint		AP		425.55
72549	01/31/2013	Northwest Natural		AP		2,304.07
72550	01/31/2013	Office Of The Trustee		AP		640.00
72551	01/31/2013	Oregon AFSCME Council #75		AP		903.50
72552	01/31/2013	Oregon Association of		AP		50.00
72553	01/31/2013	Oregon City Auto Parts		AP		71.33
72554	01/31/2013	Oregon Fire Marshals Assoc		AP		235.00
72555	01/31/2013	Oregon Municipal Judges Assoc		AP		150.00
72556	01/31/2013	Performance Leadership Inst		AP		150.00
72557	01/31/2013	Portland General Electric		AP		1,022.59
72558	01/31/2013	Purchase Power		AP		1,039.98
72559	01/31/2013	Slominski, Michael		AP		3,000.00
72560	01/31/2013	Jeff Smith		AP		55.99
72561	01/31/2013	US Bank		AP		1,418.62
72562	01/31/2013	Axa Equitable/EVLICO		AP		237.71

Total \$38,978.92

Total Checks: 26

Bank Reconciliation

Checks By Date



02/07/2013 - 9:40 AM

User: administrator

Cleared and Not Cleared Checks

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
1312013 #73563	01/31/2013	Oregon City Awards		AP		71.33
					Total	\$71.33
				Total Checks:		1

Bank Reconciliation

Checks By Date



02/07/2013 - 10:10 AM

User: administrator

Cleared and Not Cleared Checks

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
5451	01/09/2013	Beery,Elsner & Hammond LLP		AP		75.00
5452	01/09/2013	Merina and Company LLP		AP		2,940.00
5453	01/18/2013	Merina and Company LLP		AP		714.00
5454	01/23/2013	D & T Excavation		AP		68,054.92
					Total	\$71,783.92
					Total Checks:	4

Accounts Payable Outstanding Invoices

User: administrator
Printed: 02/07/2013 - 10:14 AM



Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor: 00282 001-025-178500	1,466.00	42122	01/31/2013	Adventist Medical/Services	-			02/13/2013
Vendor Total: 1,466.00								
Vendor: 00283M 001-024-158700	19.00	01.31.13	01/31/2013	Aikin/Reimbursement	-			02/13/2013
001-024-156000	23.98	01.31.13	01/31/2013	Aikin/Reimbursement	-			02/13/2013
001-024-164600	71.35	01.31.13	01/31/2013	Aikin/Reimbursement	-			02/13/2013
Vendor Total: 114.33								
Vendor: 00343 008-008-805900	58.96	287647	01/31/2013	Allen Mfg/K-9 Supplies	-			02/13/2013
Vendor Total: 58.96								
Vendor: 00438 004-004-408000	288.00	12506	01/31/2013	Alexin Lab/Water Tests	-			02/13/2013
Vendor Total: 288.00								
Vendor: 00518A 001-029-226500	260.60	20030306201301D31	01/31/2013	Associated Business/Services	-			02/13/2013
Vendor Total: 260.60								
Vendor: 00603 004-004-414500	798.00	6375	01/31/2013	Backflow Manage/Services	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor Total:	798.00							
Vendor: 00629M 001-022-123500	1,180.00	013113	01/31/2013	Barbur/Aty Indigent Clients	-			02/13/2013
Vendor Total:	1,180.00							
Vendor: 00650 005-005-507000	297.50	13010477	01/31/2013	BBC Steel/Supplies	-			02/13/2013
005-005-507000	17.00	13010550	01/31/2013	BBC Steel/Supplies	-			02/13/2013
Vendor Total:	314.50							
Vendor: 00736 001-021-110500	795.00	17225	01/31/2013	Beck Electric/Services	-			02/13/2013
Vendor Total:	795.00							
Vendor: 00951 001-024-159500	186.58	39199	01/31/2013	Branding/Patches	-			02/13/2013
Vendor Total:	186.58							
Vendor: 00993 003-003-307500	622.49	53185093	01/31/2013	Brown & Caldwell/NPDES	-			02/13/2013
Vendor Total:	622.49							
Vendor: 01222 001-029-230500	374.46	1068764	01/31/2013	Center Point/Books	-			02/13/2013
Vendor Total:	374.46							
Vendor: 01230 001-024-161000	120.00	013113	01/31/2013	Central City Concern/Detox	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
<hr/>								
Vendor Total:	120.00							
Vendor: 01343								
001-024-161000	56.93	8400227105	01/31/2013	Cintas Document/Services	-			02/13/2013
001-021-113000	22.47	8400227105	01/31/2013	Cintas Document/Services	-			02/13/2013
Vendor Total:	79.40							
Vendor: 01346								
001-021-106000	612.62	GL-D-GLD-3533	01/31/2013	City County/Deductible	-			02/13/2013
Vendor Total:	612.62							
Vendor: 01375								
005-005-504500	17.81	185892	01/31/2013	Clackamas Auto/Parts	-			02/13/2013
005-005-504500	88.98	185616	01/31/2013	Clackamas Auto/Parts	-			02/13/2013
001-025-173000	4.50	4185189	01/31/2013	Clackamas Auto/Parts	-			02/13/2013
005-005-507000	44.60	186761	01/31/2013	Clackamas Auto/Parts	-			02/13/2013
005-005-504500	19.70	185664	01/31/2013	Clackamas Auto/Parts	-			02/13/2013
005-005-504500	60.15	185500	01/31/2013	Clackamas Auto/Parts	-			02/13/2013
005-005-504500	7.48	185323	01/31/2013	Clackamas Auto/Parts	-			02/13/2013
Vendor Total:	243.22							
Vendor: 01530								
001-024-163500	50.00	01.24.13	01/31/2013	Clack Cty Crim Justice/Dues	-			02/13/2013
Vendor Total:	50.00							
Vendor: 01550								
001-021-113000	302.00	2013-002	01/31/2013	Clack Cty Assess-Tax/Maps	-			02/13/2013
Vendor Total:	302.00							
Vendor: 01576								
001-021-107000	3,108.65	22356	01/31/2013	Clack Cty DOT/Planning	-			02/13/2013
005-005-508000	100.00	22355	01/31/2013	Clack Cty DOT/Signals	-			02/13/2013
001-021-107000	3,802.65	22524	01/31/2013	Clack Cty DOT/Planning	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor Total:								
	7,011.30							
Clackamas, County of								
Vendor: 01585								
003-003-307000	650.21	2013-126	01/31/2013	Clack Cty Wtr Environs/PS Maint	-			02/13/2013
003-003-307000	731.82	2013-125	01/31/2013	Clack Cty Wtr Environs/PS Maint	-			02/13/2013
003-003-307000	503.50	2013-132	01/31/2013	Clack Cty Wtr Environs/PS Maint	-			02/13/2013
003-003-307000	68.66	2013-127	01/31/2013	Clack Cty Wtr Environs/Lab	-			02/13/2013
003-003-307500	80.57	2013-131	01/31/2013	Clack Cty Wtr Environs/Lab	-			02/13/2013
Vendor Total:								
	2,034.76							
Clackamas, County of								
Vendor: 01621								
008-008-164800	9,029.83	37808	01/31/2013	Clack Cty Finance/Dispatch Services	-			02/13/2013
001-024-161000	182.18	37759	01/31/2013	Clack Cty Finance/Electronic Services	-			02/13/2013
001-025-181900	6,349.33	37803	01/31/2013	Clack Cty Finance/Dispatch Services	-			02/13/2013
001-024-161500	144.00	37833	01/31/2013	Clack Cty Finance/Ammo	-			02/13/2013
001-026-193000	1,950.00	37419	01/31/2013	Clack Cty Finance/Work Crew	-			02/13/2013
001-024-164600	100.00	37877	01/31/2013	Clack Cty Finance/Calenders	-			02/13/2013
001-026-191500	1,155.00	37558	01/31/2013	Clack Cty Finance/Work Crew	-			02/13/2013
001-026-191500	1,625.00	37421	01/31/2013	Clack Cty Finance/Work Crew	-			02/13/2013
001-024-161000	182.18	37464	01/31/2013	Clack Cty Finance/Electronic Services	-			02/13/2013
Vendor Total:								
	20,717.52							
Coastal Farm & Home Supply								
Vendor: 01839M								
005-005-507000	7.11	014258	01/31/2013	Coastal/Supplies	-			02/13/2013
005-005-507000	19.84	014213	01/31/2013	Coastal/Supplies	-			02/13/2013
001-026-193000	10.88	014219	01/31/2013	Coastal/Supplies	-			02/13/2013
Vendor Total:								
	37.83							
Colliers International								
Vendor: 01872								
010-010-904000	3,800.00	C121378	01/31/2013	Colliers Intl/Appraisals	-			02/13/2013
010-010-904000	3,400.00	C130123	01/31/2013	Colliers Intl/Appraisals	-			02/13/2013
Vendor Total:								
	7,200.00							
Comcast Cable								
Vendor: 01893A								
001-021-115500	111.90	0724795 1/22/101/31/2013	01/31/2013	Comcast/Services	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor Total:	111.90							
Vendor: 01893B 001-024-161000	113.69	0725743	1/12/10	1/31/2013 Comcast/Services	-			02/13/2013
Vendor Total:	113.69							
Vendor: 01992J 001-024-161000	95.00	4672	01/31/2013	Corey/Services	-			02/13/2013
Vendor Total:	95.00							
Vendor: 02148 005-005-504500	588.24	2522	01/31/2013	Curtis Morton/Services	-			02/13/2013
Vendor Total:	588.24							
Vendor: 02168 001-026-193000	1,049.09	22421	01/31/2013	Cycle Express/Signs	-			02/13/2013
Vendor Total:	1,049.09							
Vendor: 02290 001-022-124500	60.40	M188668	01/31/2013	Dick's Color Center/Supplies	-			02/13/2013
001-022-124500	34.65	M188897	01/31/2013	Dick's Color Center/Supplies	-			02/13/2013
Vendor Total:	95.05							
Vendor: 02731 001-024-157000	220.92	56331	01/31/2013	Executive Copy/Services	-			02/13/2013
Vendor Total:	220.92							
Vendor: 02731G 001-024-159500	128.70	12369	01/31/2013	Extreme Products/Uniforms	-			02/13/2013
001-024-159500	65.24	12676	01/31/2013	Extreme Products/Uniforms	-			02/13/2013
001-024-159500	10.99	12971	01/31/2013	Extreme Products/Uniforms	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
001-024-159500	329.95	12448	01/31/2013	Extreme Products/Uniforms	-			02/13/2013
001-024-159500	124.98	12972	01/31/2013	Extreme Products/Uniforms	-			02/13/2013
Vendor Total: 659.86								
Vendor: 02795A								
001-024-163500	80.00	Pryde 2013	01/31/2013	FBI Natl Academy/Dues	-			02/13/2013
Vendor Total: 80.00								
Vendor: 02798								
004-004-408500	552.00	114782	01/31/2013	Factory Reps/Supplies	-			02/13/2013
Vendor Total: 552.00								
Vendor: 02890								
005-005-504500	177.73	19567	01/31/2013	Fleet Specialists/Services	-			02/13/2013
005-005-504500	101.00	19565	01/31/2013	Fleet Specialists/Services	-			02/13/2013
005-005-504500	101.00	19566	01/31/2013	Fleet Specialists/Services	-			02/13/2013
Vendor Total: 379.73								
Vendor: 02915								
001-024-160000	1.40	4005790212 2/10/13	01/31/2013	Union Security/Life Premiums	-			02/13/2013
001-025-177000	186.85	4005790212 2/10/13	01/31/2013	Union Security/Life Premiums	-			02/13/2013
Vendor Total: 188.25								
Vendor: 02915S								
001-024-161000	270.00	2327820131	01/31/2013	Fortes Laboratories/Services	-			02/13/2013
001-024-161000	225.00	23273020131	01/31/2013	Fortes Laboratories/Services	-			02/13/2013
Vendor Total: 495.00								
Vendor: 02941								
004-004-415500	5,552.58	I3301600	01/31/2013	Fowler/Supplies	-			02/13/2013
004-004-407000	88.30	I3295534	01/31/2013	Fowler/Supplies	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor Total:	5,640.88							
Vendor: 03040								
001-029-230500	231.92	98200987	01/31/2013	Gale Group/Books	-			02/13/2013
001-029-230500	25.59	98157819	01/31/2013	Gale Group/Books	-			02/13/2013
001-029-230500	21.59	98199199	01/31/2013	Gale Group/Books	-			02/13/2013
Vendor Total:	279.10							
Vendor: 03151								
001-026-196000	103.75	488260	01/31/2013	General Tree/Pow Wow Contract	-			02/13/2013
001-026-196000	103.75	487413	01/31/2013	General Tree/Pow Wow Contract	-			02/13/2013
Vendor Total:	207.50							
Vendor: 03194								
001-024-155000	450.00	020413	01/31/2013	Gladstone Chevron/Car Wash	-			02/13/2013
Vendor Total:	450.00							
Vendor: 03300								
001-025-173000	194.50	48414	01/31/2013	Gold Wrench/Services	-			02/13/2013
001-024-155000	1,413.55	48248	01/31/2013	Gold Wrench/Services	-			02/13/2013
001-024-155000	88.83	48521	01/31/2013	Gold Wrench/Services	-			02/13/2013
001-024-155000	737.50	48376	01/31/2013	Gold Wrench/Services	-			02/13/2013
Vendor Total:	2,434.38							
Vendor: 03307								
004-004-408500	194.60	9042143603	01/31/2013	Grainger/Supplies	-			02/13/2013
004-004-408500	40.14	9042143611	01/31/2013	Grainger/Supplies	-			02/13/2013
Vendor Total:	234.74							
Vendor: 03324N								
001-022-125500	97.50	0128213	01/31/2013	Gray/Pro-Term Judge	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor Total: 97.50								
Vendor: 03334 005-005-518500	499.14	jgree13-03	01/31/2013	Green/Services	-			02/13/2013
Vendor Total: 499.14								
Vendor: 03676 001-022-124500	2.97	6021420	01/31/2013	Home Depot/Supplies	-			02/13/2013
005-005-507000	53.79	6063076	01/31/2013	Home Depot/Supplies	-			02/13/2013
005-005-507000	-39.86	6155706	01/31/2013	Home Depot/Supplies-Credit	-			02/13/2013
005-005-507000	19.38	6016507	01/31/2013	Home Depot/Supplies	-			02/13/2013
005-005-507000	78.77	6181980	01/31/2013	Home Depot/Supplies	-			02/13/2013
005-005-507000	66.74	6016384	01/31/2013	Home Depot/Supplies	-			02/13/2013
001-026-193500	569.12	6972261	01/31/2013	Home Depot/Supplies	-			02/13/2013
001-026-193500	39.48	2098555	01/31/2013	Home Depot/Supplies	-			02/13/2013
001-026-193500	19.94	1017581	01/31/2013	Home Depot/Supplies	-			02/13/2013
001-022-124500	41.58	98856	01/31/2013	Home Depot/Supplies	-			02/13/2013
005-005-507000	78.09	9182285	01/31/2013	Home Depot/Supplies	-			02/13/2013
005-005-507000	106.24	6080779	01/31/2013	Home Depot/Supplies	-			02/13/2013
Vendor Total: 1,036.24								
Vendor: 03711 001-024-155000	140.00	P001312013	01/31/2013	Horst/Services	-			02/13/2013
Vendor Total: 140.00								
Vendor: 03765 001-025-180500	600.00	2/15 - 3/15	01/31/2013	Houston/Supervising Physician	-			02/13/2013
Vendor Total: 600.00								
Vendor: 03818 001-026-195500	336.22	1-596580	01/31/2013	Honey Buckets/Rest Rooms	-			02/13/2013
001-026-195500	480.44	1-600117	01/31/2013	Honey Buckets/Rest Rooms	-			02/13/2013
001-026-195500	85.00	1-605261	01/31/2013	Honey Buckets/Rest Rooms	-			02/13/2013
001-026-195500	93.00	1-601585	01/31/2013	Honey Buckets/Rest Rooms	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor Total:	994.66							
Vendor: 03868 005-005-504500	634.15	100149329	01/31/2013	Indust Tire/Services	-			02/13/2013
Vendor Total:	634.15							
Vendor: 03931 001-029-231500	21.97	09103414	01/31/2013	Ingram/Purchases	-			02/13/2013
001-029-230500	36.90	09135040	01/31/2013	Ingram/Purchases	-			02/13/2013
001-029-231500	84.50	09135040	01/31/2013	Ingram/Purchases	-			02/13/2013
001-029-230500	249.37	09013098	01/31/2013	Ingram/Purchases	-			02/13/2013
001-029-231500	38.48	09013098	01/31/2013	Ingram/Purchases	-			02/13/2013
001-029-229600	182.02	09013098	01/31/2013	Ingram/Purchases	-			02/13/2013
001-029-230500	1,186.67	08693183	01/31/2013	Ingram/Purchases	-			02/13/2013
001-029-231500	96.16	08693183	01/31/2013	Ingram/Purchases	-			02/13/2013
001-029-230500	402.89	08831003	01/31/2013	Ingram/Purchases	-			02/13/2013
001-029-231500	32.96	08831003	01/31/2013	Ingram/Purchases	-			02/13/2013
001-029-230500	-127.70	09100104	01/31/2013	Ingram/Purchases-Credit	-			02/13/2013
001-029-230500	334.32	09103414	01/31/2013	Ingram/Purchases	-			02/13/2013
Vendor Total:	2,538.54							
Vendor: 03976 001-024-163500	120.00	1001051569	01/31/2013	Intl Assoc Chiefs Police/Pryde	-			02/13/2013
Vendor Total:	120.00							
Vendor: 04262 005-005-513500	4,830.00	012813	01/31/2013	Knapp Construction/Services	-			02/13/2013
Vendor Total:	4,830.00							
Vendor: 04350 001-024-158700	1,520.00	105	01/31/2013	Lake Oswego Police/Evoc	-			02/13/2013
Vendor Total:	1,520.00							

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor: 04419 001-024-156500	59.90	ML01241301	01/31/2013	Leedway/Supplies	-			02/13/2013
Vendor Total:	59.90							
Vendor: 04441 001-021-116500	20.00	13700	01/31/2013	League Oregon Cities/Recruit	-			02/13/2013
Vendor Total:	20.00							
Vendor: 04559 001-029-225500	144.00	41181	01/31/2013	Library Store/Supplies	-			02/13/2013
Vendor Total:	144.00							
Vendor: 04561P 001-025-180000	21.80	621391	01/31/2013	Life Assist/Supplies	-			02/13/2013
Vendor Total:	21.80							
Vendor: 04606 001-024-161000	180.00	9261	01/31/2013	Local Govt Personnel/Services	-			02/13/2013
Vendor Total:	180.00							
Vendor: 04750 005-005-513500	128.00	971794-00	01/31/2013	Masons Supply/Supplies	-			02/13/2013
Vendor Total:	128.00							
Vendor: 04753 005-005-507000 005-005-507000	18.90 22.82	00859190 00858079	01/31/2013 01/31/2013	Maverick/Supplies Maverick/Supplies	- -			02/13/2013 02/13/2013
Vendor Total:	41.72							
Vendor: 04900 001-029-231500	12.99	90676251	01/31/2013	Midwest Tape/Non Print	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
001-029-231500	27.28	90690784	01/31/2013	Midwest Tape/Non Print	-			02/13/2013
001-029-231500	79.97	90690786	01/31/2013	Midwest Tape/Non Print	-			02/13/2013
001-029-231500	58.95	90676254	01/31/2013	Midwest Tape/Non Print	-			02/13/2013
001-029-231500	53.49	90676253	01/31/2013	Midwest Tape/Non Print	-			02/13/2013
001-029-231500	103.95	90658604	01/31/2013	Midwest Tape/Non Print	-			02/13/2013
001-029-231500	16.99	90664689	01/31/2013	Midwest Tape/Non Print	-			02/13/2013
001-029-231500	18.99	90658605	01/31/2013	Midwest Tape/Non Print	-			02/13/2013
001-029-231500	18.88	90658602	01/31/2013	Midwest Tape/Non Print	-			02/13/2013
	<u>391.49</u>							
Vendor Total:	391.49							
Vendor: 04904								
001-025-173000	1,670.00	H34865	01/31/2013	Millar's HiWay/Services	-			02/13/2013
001-025-173000	199.80	H34953	01/31/2013	Millar's HiWay/Services	-			02/13/2013
001-025-173000	-109.95	H34867	01/31/2013	Millar's HiWay/Services-Credit	-			02/13/2013
001-025-173000	-30.00	H34868	01/31/2013	Millar's HiWay/Services-Credit	-			02/13/2013
	<u>1,729.85</u>							
Vendor Total:	1,729.85							
Vendor: 049555								
001-024-161000	335.00	1125	01/31/2013	Mr Belveder/Services	-			02/13/2013
	<u>335.00</u>							
Vendor Total:	335.00							
Vendor: 05006								
005-005-504500	1,161.50	31924	01/31/2013	Morton's Transmission/Services	-			02/13/2013
	<u>1,161.50</u>							
Vendor Total:	1,161.50							
Vendor: 05409S								
001-025-175500	319.00	12034764	01/31/2013	Norlift/Supplies	-			02/13/2013
001-025-175000	264.00	12034800	01/31/2013	Norlift/Supplies	-			02/13/2013
	<u>583.00</u>							
Vendor Total:	583.00							
Vendor: 05547								
001-025-181700	345.45	13-4498	01/31/2013	NW Safety/Services	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor Total:	345.45							
Vendor: 05610 001-026-193000	480.00	75789	01/31/2013	Nursery Connection/Supplies	-			02/13/2013
Vendor Total:	480.00							
Vendor: 05656 004-004-405000	31.72	56-00072-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	30.64	56-00073-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	44.00	56-00074-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	30.64	56-00075-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	44.00	56-00076-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	31.72	56-00077-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	49.80	56-00840-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	104.75	56-00850-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	54.15	56-00860-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	54.15	56-00870-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	284.72	99-01148-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
004-004-405000	4,324.63	99-01157-001	01/31/2013	Oak Lodge Water/Purchases	-			02/13/2013
Vendor Total:	5,084.92							
Vendor: 05675 001-021-113000	86.28	640333799001	01/31/2013	Office Depot/Supplies	-			02/13/2013
001-024-156500	10.50	642787404001	01/31/2013	Office Depot/Supplies	-			02/13/2013
001-024-156500	410.83	642787356001	01/31/2013	Office Depot/Supplies	-			02/13/2013
001-024-156500	73.75	640008996001	01/31/2013	Office Depot/Supplies	-			02/13/2013
001-024-156500	116.44	640068436001	01/31/2013	Office Depot/Supplies	-			02/13/2013
Vendor Total:	697.80							
Vendor: 05679 001-022-124500	62.18	059934	01/31/2013	Office Max/Supplies	-			02/13/2013
001-021-113000	58.10	853116	01/31/2013	Office Max/Supplies	-			02/13/2013
001-021-113000	56.48	212549	01/31/2013	Office Max/Supplies	-			02/13/2013
001-022-124500	19.91	212549	01/31/2013	Office Max/Supplies	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor Total:	196.67							
Vendor: 05685 001-024-155000	144.35	111.635	01/31/2013	Olson Bros/Services	-			02/13/2013
001-024-155000	47.06	112.749	01/31/2013	Olson Bros/Services	-			02/13/2013
001-024-155000	660.05	111.940	01/31/2013	Olson Bros/Services	-			02/13/2013
001-024-155000	647.35	112.128	01/31/2013	Olson Bros/Services	-			02/13/2013
Vendor Total:	1,498.81							
Vendor: 05767 003-003-305500	440.00	14459	01/31/2013	Or Assoc Water Utilities/Tabor	-			02/13/2013
Vendor Total:	440.00							
Vendor: 06030 001-025-181000	2,130.00	013013	01/31/2013	Or Health EMS/Renewal	-			02/13/2013
Vendor Total:	2,130.00							
Vendor: 06148 001-022-127000	485.00	1473	01/31/2013	Or Patrol Service/Security	-			02/13/2013
Vendor Total:	485.00							
Vendor: 06245 005-005-518500	270.00	UST13-00467	01/31/2013	Oregon DEQ/Fee	-			02/13/2013
Vendor Total:	270.00							
Vendor: 06251A 001-024-157000	11.50	62723-123112	01/31/2013	Oregon DMV/Suspension Packages	-			02/13/2013
Vendor Total:	11.50							
Vendor: 06586 001-024-156500	42.68	T38786	01/31/2013	Pacific Office Automation/Copier	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor Total:	42.68							
Vendor: 06587 001-029-226500	429.30	16686151	01/31/2013	Pacific Office Automation/Copier	-			02/13/2013
Vendor Total:	429.30							
Vendor: 06640 001-021-110500	48.00	42706/2413	01/31/2013	Paramount Pest/Services	-			02/13/2013
001-021-110500	48.00	42716/2355	01/31/2013	Paramount Pest/Services	-			02/13/2013
Vendor Total:	96.00							
Vendor: 07021 001-021-109500	794.16	01.31.13	01/31/2013	Portland General Electric/Billing	-			02/13/2013
001-025-177500	562.18	01.31.13	01/31/2013	Portland General Electric/Billing	-			02/13/2013
001-026-193500	615.15	01.31.13	01/31/2013	Portland General Electric/Billing	-			02/13/2013
001-029-224500	997.53	01.31.13	01/31/2013	Portland General Electric/Billing	-			02/13/2013
003-003-302500	56.28	01.31.13	01/31/2013	Portland General Electric/Billing	-			02/13/2013
004-004-406000	1,106.66	01.31.13	01/31/2013	Portland General Electric/Billing	-			02/13/2013
005-005-507000	798.12	01.31.13	01/31/2013	Portland General Electric/Billing	-			02/13/2013
005-005-508000	698.04	01.31.13	01/31/2013	Portland General Electric/Billing	-			02/13/2013
Vendor Total:	5,628.12							
Vendor: 07027 001-021-108500	251.43	78638	01/31/2013	Portland Habilitation/Services	-			02/13/2013
001-025-176000	280.14	78650	01/31/2013	Portland Habilitation/Services	-			02/13/2013
001-021-108500	382.96	78792	01/31/2013	Portland Habilitation/Services	-			02/13/2013
Vendor Total:	914.53							
Vendor: 07370 001-025-175500	242.64	3234	01/31/2013	Rawlings/Supplies	-			02/13/2013
Vendor Total:	242.64							

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor: 074888 001-021-115500	2,114.00	42	01/31/2013	RH Media/Services	-			02/13/2013
Vendor Total:	2,114.00							
Vendor: 07510M 001-021-113000	384.83	88303617	01/31/2013	Ricoh USA/Copier	-			02/13/2013
Vendor Total:	384.83							
Vendor: 07542 001-021-106000	88.00	LSM0142881	01/31/2013	RLI Surety/Boyce	-			02/13/2013
001-021-106000	88.00	LSM0142802	01/31/2013	RLI Surety/Morishita	-			02/13/2013
Vendor Total:	176.00							
Vendor: 07553 004-004-407000	2,074.53	12R05137	01/31/2013	RMS Pump/Services	-			02/13/2013
Vendor Total:	2,074.53							
Vendor: 07561 001-029-225000	319.25	N363950	01/31/2013	Robben & Sons/Services	-			02/13/2013
Vendor Total:	319.25							
Vendor: 07717R 001-024-164600	45.44	AX01130401	01/31/2013	Satcom Global/Services	-			02/13/2013
Vendor Total:	45.44							
Vendor: 07905 001-024-161000	101.12	533863301071301	01/31/2013	Sierra Springs/Supplies	-			02/13/2013
Vendor Total:	101.12							
Vendor: 07951 001-021-110500	44.85	68598146	01/31/2013	Simplex Grinnell/Services	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
001-024-161000	238.55	68598144	01/31/2013	Simplex Grinnell/Services	-			02/13/2013
004-004-408500	205.81	68598145	01/31/2013	Simplex Grinnell/Services	-			02/13/2013
	<u>489.21</u>							
Vendor Total:	489.21							
Vendor: 08019								
001-022-123000	3,000.00	23	01/31/2013	Slominski/Prosecuting Atty	-			02/13/2013
	<u>3,000.00</u>							
Vendor Total:	3,000.00							
Vendor: 08044								
005-005-504500	88.30	109923	01/31/2013	Sonray Mchinery/Services	-			02/13/2013
005-005-504500	659.70	110072	01/31/2013	Sonray Mchinery/Services	-			02/13/2013
005-005-504500	543.68	109856	01/31/2013	Sonray Mchinery/Services	-			02/13/2013
	<u>1,291.68</u>							
Vendor Total:	1,291.68							
Vendor: 08205								
001-025-173000	236.51	0002591	01/31/2013	Stein Oil/Services	-			02/13/2013
	<u>236.51</u>							
Vendor Total:	236.51							
Vendor: 08372								
001-025-175500	7.93	19455129	01/31/2013	Tacoma Screw/Supplies	-			02/13/2013
	<u>7.93</u>							
Vendor Total:	7.93							
Vendor: 08388								
001-029-229600	109.20	0187626-IN	01/31/2013	Teaching Strategies/Supplies	-			02/13/2013
	<u>109.20</u>							
Vendor Total:	109.20							
Vendor: 08391M								
001-022-123500	1,125.00	013113	01/31/2013	Teitelman/Atty Indigent Clients	-			02/13/2013
	<u>1,125.00</u>							
Vendor Total:	1,125.00							

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor: 08402 001-021-113000 001-021-113000	78.99 17.15	755983-0 755053-0	01/31/2013 01/31/2013	Thayer/Supplies Thayer/Supplies	- -			02/13/2013 02/13/2013
Vendor Total:	96.14							
Vendor: 08494H 005-005-504500	375.00	2446	01/31/2013	Tim's Machine/Services	-			02/13/2013
Vendor Total:	375.00							
Vendor: 08652 001-025-173000	237.50	421909	01/31/2013	Tualatin Fire/Services	-			02/13/2013
Vendor Total:	237.50							
Vendor: 08943 001-024-164000 001-024-164000 001-024-164000 001-024-161000	117.28 218.87 88.65 400.10	1156893121 1156893118 1156893119 1156893116	01/31/2013 01/31/2013 01/31/2013 01/31/2013	Verizon/Cellular Phones Verizon/Cellular Phones Verizon/Cellular Phones Verizon/Cellular Phones	- - - -			02/13/2013 02/13/2013 02/13/2013 02/13/2013
Vendor Total:	824.90							
Vendor: 08943A 001-025-177800	340.41	1156893117	01/31/2013	Verizon/Cellular Phones	-			02/13/2013
Vendor Total:	340.41							
Vendor: 08943C 005-005-507000	40.01	1156893120	01/31/2013	Verizon/Cellular Phones	-			02/13/2013
Vendor Total:	40.01							
Vendor: 08983 001-025-181700	59.95	1271	01/31/2013	Vision Marketing/Supplies	-			02/13/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task	Type	PO Number	Payment Date
Vendor Total:	59.95							
Vendor: 08995 001-024-156000	20.00	011613	01/31/2013	Voss/Reimbursement	-			02/13/2013
Vendor Total:	20.00							
Vendor: 09010 001-025-173000	385.00	20267	01/31/2013	Ward Diesel/Services	-			02/13/2013
Vendor Total:	385.00							
Vendor: 09031 001-024-159500	156.83	0061233-IN	01/31/2013	Watershed/Supplies	-			02/13/2013
Vendor Total:	156.83							
Vendor: 09190 001-021-114500	25.00	200501	01/31/2013	West Linn, City of/CCA Dinner	-			02/13/2013
Vendor Total:	25.00							
Vendor: 09243T 001-026-193000	4,500.00	011013	01/31/2013	Wilderness Intl/Restoration	-			02/13/2013
Vendor Total:	4,500.00							
Vendor: 09281T 001-024-161000	102.50	0047224-IN	01/31/2013	Wilsonville Lock Sec/Services	-			02/13/2013
001-024-156000	156.00	0047323-IN	01/31/2013	Wilsonville Lock Sec/Services	-			02/13/2013
Vendor Total:	258.50							
Vendor: 09300 004-004-408500	525.00	170586	01/31/2013	WorkSAFE/Services	-			02/13/2013

Account Number Amount Invoice No Inv Date Description Task Type PO Number Payment Date

Vendor Total:

525.00

Vendor: 09315
004-004-407500

Wright, Marcus

158.97 18365 Petite Ct 01/31/2013 Wright/Refund

02/13/2013

Vendor Total:

158.97

Vendor: 09350
005-005-505500

Porter W Yett Co

506.34 33936 01/31/2013 Yett/Supplies

02/13/2013

Vendor Total:

506.34

Report Total:

115,527.06



CORRESPONDENCE



TO: Pete Boyce, City Council, Budget Committee, & council meeting email list

CITY OF GLADSTONE
PUBLIC RECORDS REQUEST
525 Portland Avenue, Gladstone, Or 97027

Date of Request: January 28, 2013

Name: Rose Johnson

Description of records requested:

Type of document: City Council Minutes Jan/2013

Title: “

Date: January 8, 2013

Author: City Manager/Council

Subject matter: minutes

-- If the minutes are as yet incomplete, please provide the draft.

-- Pursuant to Oregon Public Records & Meetings Manual

Rose Johnson

January 28, 2013

Signature of Requestor

Date

Pg 1 of 1

*

6-1

TO: Pete Boyce, City Council, Budget Committee, & council meeting email list

CITY OF GLADSTONE
PUBLIC RECORDS REQUEST
525 Portland Avenue, Gladstone, Or 97027

Date of Request: January 28, 2013

Name: Rose Johnson

Description of records requested:

Type of document: 1) City Budget Committee Minutes, written copy
2) City Budget Committee meeting tape or video

Title: "

Dates: May 14, 2012 and
June 7, 2011

Author: City Manager/Council/budget committee

Subject matter: minutes of meeting(s), an tape or video of meeting(s)

Rose Johnson

January 28, 2013

Signature of Requestor

Date

Pg 1 of 1

*

6-2

DATE January 18, 2013

TO: Pete Boyce &
City Council &
Budget Committee

CC: Planning Commission
Library Board
Senior Center
Email list for Council meeting notices

SUBJECT 1/29/13 Budget Committee Meeting

Update midyear budget 2012-13

Question: Is the 2012-13 Budget Legally Adopted?

Pete,

As you know, I sent two letter(s) in June 2012 to alert the Budget Committee about anomalies in The "approval" and "adoption" procedures for the City budget 2012-13.

One letter got "lost" and you did not receive it in time to call an emergency meeting by June 30. Now you're back to review the mid-year budget 2012-13.

Please reconsider letters to you dated June 18 and June 25, 2012, which you failed to answer. I am Requesting that you revise your budget procedure to begin performing the step(s) you are "skipping" steps required by the Local Budgeting Manual.

Now, please turn your attention to page of the Manual, Local Budgeting In Oregon (150-504-400). The city manager emailed you a copy of the Manual with your Jan 31, 2012 Budget Review Packets. Next, see the, I'll walk you through it again.

Chapter 3, The Budget Process

Chapter 5, Estimating Budget Resources & Requirements

Chapter 6, Property Taxes in Oregon

Chapter 7, Estimating Property Taxes As An Available Resource

Chapter 8, The Budget Committee and Approving The Budget

1) Page 5, Par 3 *A local government's ability to impose a property tax is also contingent on following the budget process. Compliance with local budget law is critical for local governments.*

2) Page 13, Par 2 *Temper the detail of the budget with common sense to make the document as informative and uncomplicated as possible.*

3) Page 13, Par 8, (and Page 44, Par 3) *The appointive members of the budget committee cannot be officers, agents, or employees of the local government.*

Comment: This may disqualify some people from serving on the budget committee. The city manager is the Budget Officer; who writes and prepares the budget; he/she is not a budget committee member to preserve a "check and balance" for Budget Committee oversight.

4) Page 15, #6. *Budget Committee approves budget (ORS 294.406). The budget committee considers the budget proposed by the budget officer and comments made by the public and may make additions or deletions. When the budget committee is satisfied, it approves the budget. The budget approved by the committee specifies the amount or rate of each ad valorem tax levy. Approval of the budget and of the amount or rate of tax should be by motion and be recorded in the minutes of the meeting.*

5) Page 24, Par 10 *"Do not budget a negative resource. A negative line item entry distorts the actual total of revenues. Budget only the amount of revenue estimated to actually be received by a fund. If there is an anticipated deficit in a fund, budgeted expenditures should be reduced or other resources identified to maintain a balance. Negative budgeted fund balances are a violation of Local Budget Law.*

Comment So, there is a compelling argument behind my request that you remove the entry for \$7,000,000 in Sec 3, Pg 31 line 5. Then go to the Urban Renewal Budget Sec 4, Pg 1, line 31 and remove \$7,500,000. Next, in Sec 4 Pg 2, line 8, remove \$7,500,000. That should edit all imaginary funds for the "new" library which was rejected by the voters on Nov 5, 2012, as you know. This is uncollectible anticipated funds for new library financing due to the no vote on the new library plan. The \$ 7.0 million is a **negative** entry because it was never received. That will reduce a \$22,888,000 budget to \$15,388,000. Note, in the 2011-12 budget the entry was \$7,000,000 plus \$2,500,000 = \$9,500,000. \$2,500,000 represents the **refund** from the Clackamas County Library District to the gladstone library fund. Also, you may wish to correct the text in the Budget Section 1, Page 8, Par 5 to amend the total budget amount to \$15,388,000, approximately.

Note: Do not confuse this comment as support for savegladstone.org's recent testimony/complaint(s) about an alleged \$190,000 shortfall (circa 11/13/12 GCC). Of course, there is no 2011-12 shortfall. Ask Pete Boyce, City Manager. And there's no reasonable economic basis for throwing the old library under the bus.

6) Page 35, Par 9 **Important: Statutory limits do not authorize a local government to impose a tax. Taxing authority comes only from voter approval.**

Comment So, any property tax amount above those limitations must be voter approved.

6-4

7) Page 40, Par 1 *Operating Taxes – permanent rate Most local governments’ operating tax revenue comes, at least in part, from property taxes imposed within their permanent rate limitations.*

Comment Under Measure-50, property tax limitations are: \$5/1,000 AV for schools, and \$10/1,000 AV for city administration & other services such as library, police, fire, water, sewer, parks etc.

8) Page 40, Par 2 *Each year after property tax statements are mailed out, the county assessor provides each taxing district with a report called Summary of Assessment & Levies. This report shows the actual amount of assessed value in your district this year. From this information you can estimate the amount of assessed value in the coming year. The assessed value (AV) of most property will grow approximately 3% per year.*

Comment Some taxing districts, such as a city, may decide to index property tax revenue by < 3 % per year. Next, total AV X city tax rate = expected city property tax revenue. Note Gladstone school’s expected property tax revenue is calculated separately by school districts.

9) Page 44, Par 10 *All (14) members of the budget committee have equal authority. Each member’s vote counts the same.*

Comment: Do not let the presence of the honorable Mayor and city Councilors intimidate you.

10) Page 44, Par 12 *Budget committee members should develop a general understanding of the budget process,” and the legal constraints imposed on the local government’s tax levy after budget committee approval*

11) Page 45, Par 1 *The committee must eventually approve the budget and, if ad valorem property taxes are required; approve the amount of tax or the rate per \$1,000 of assessed value for each levy that will be certified to the assessor.*

Comment: Levy does not mean only the police and fire local option levies; it also means total property taxes levied by the assessor against the city of Gladstone. Since the city property taxes are a “frozen” value (it’s the same \$5 limitation rate from year to year). However any additions to the tax rate caused by local option levies such as police and fire, will change the rate when the levy renews, or an uneven revenue amount occurs in the first or last year of levy life. So, the Bud Com must calculate both the the city anticipated tax rate and the property tax revenue for each fiscal year. If you think this city-wide aforementioned property tax and revenue data is easy for a taxpayer to find at the Assessor’s Office, think again. The only easy to find data at the assessor’s office is the data on your tax bill; it takes about five minutes.

12) Page 45, Par 6 *Among the most common items discussed are the questions of taxation? (How much?) and allocating revenues and expenditures (Where will the spending occur?).*

6-5

13) Page 45, Par 6 *If the amount of tax revenue needed to balance the budget exceeds the local governments existing taxing authority, and other resources cannot be found, then the committee must reduce budgeted requirements to balance the budget.*

Comment To my knowledge, the (14 member budget) committee decisions are not actually done by the full BudCom-14 at their annual meeting. In fact, some of these decisions are made in collaboration between the City Manager and the City Council before the one annual Bud Com-14 meeting takes place. It may be "traditional" and expedient to do it this way; is it contrary to budget law? The practice suggests that the 7 citizen members of the budget committee are left out of the loop and treated like yes men (and women). Gladstone's actual citizen participation part of budget-making is not as robust as it could be (to put it mildly). The budget committee needs to re-examine procedures for maximum citizen participation.

14) Page 46, Par 1 *The budget committee sets and approves the amount or rate of the property taxes to be imposed. This is a very important responsibility for the budget committee.*

Comment Traditionally, in Gladstone, this step is inadvertently omitted from the Bud Com-14 meeting(s).

15) Page, ----- *Before voting to "approve" the draft budget presented to you by the city manager you must complete the following document.*

16) The Motion: Page 46, Par 2 *The committee's motion to approve taxes under the district's permanent rate authority may state either the rate per \$1,000 assessed value or the amount of taxes that the budget committee wants to impose. It should also state separately the tax rate or the amount to be imposed under any voter approved local option levy. These statements should be recorded in the minutes of the meeting.*

Comment To avoid oversights and to clarify the "motion's" content in the minutes, it is advisable to present a written motion to the budget committee before the vote, and a signature sheet after the vote to approve/not approve the budget. That is, vote, then initial by the Bud Com-14, and the city manager (witness).

17) Page 47, Par 1 *A local government must publish a summary of the budget approved by the budget committee.*

Comment The budget committees first undetected procedural error is the failure to even discuss or approve the Budget Summary during the budget committee meeting. The budget committee's second undetected error here is that the 5/14/2012 "motion" is phrased to approve the entire annual budget. No mention of the property tax revenue, total expected tax revenue, levy tax rates are included in the **motion**. (or the meeting, or the minutes for that matter). So, essentially, the BudCom approved the \$22,888,000 and skipped the details. Another serious test of local budget law? The legally required "Budget Summary" is not published in the Clackamas Review until May 30 2012 (weeks after the BudCom meeting)

6-6

Note: the 2012-13 Budget Summary was unavailable during the May 14 Bud Com meeting; it was not circulated; nor was it discussed. That's the essential step you skipped. It's the basis for my conclusion that the current budget is not officially, properly nor legally approved. More than likely, prior city budgets carry the same lack of credibility.

18) The budget committee must complete all the duties required of it by local budget law.

Comment Otherwise, the budget is not legally approved during the Bud Com meeting, nor can it legally be adopted at the next Council "Budget Adoption" meeting.

Conclusion The budget committee's (meeting) "approval" error originates with the mayor's (inadvertent) phrasing of the motion as approval of the entire budget. Mayor Byers makes no mention in the motion to approve of the budget of the following details, 1) total budgeted amount or 2) total property tax revenue expected, nor 3) the tax rate. Coincidentally, none of these three topics were raised during budget meetings of 14 members attending, in 2011 and 2012.

This is not merely inattentive budgeting. The BudCom-14 actually **approved** the budget (unlawfully?) during the Bud Com meeting 5/14 by recommending **adoption** of the budget by the City Council at next Council meeting on 6/ /12. Then, worse, half the Bud Com (7 members) unknowingly compound the error(s) by adopting the budget at the next city Council meeting, where you do finally mention 1-2-3, yet the error is 7 of the budget committee (citizens) were not present at the Council meeting. Only the 7 city Councilors and city administrator, attended the budget adoption hearing (Council meeting)

In other words, the absence of **half** the budget committee (7) would need to be pre-arranged and permitted in order to have a legal budget approval & adoption; and we know you didn't do that; and State law does not permit it.

The local budgeting manual says 14 of the budget committee members must approve 1-2-3. In other words, you have 14 committee members at the approval meeting, where you don't talk about 1-2-3 at all; and you have only 7 committee members present at the city Council **adoption** meeting. You are understandably a bit confused about the procedure, since you've done it this way for so long. Therefore, the 2012-13 city budget is adopted contrary to State budget law, since the full 14 budget committee did not fulfill the procedural steps..

Since you only get one chance at a budget committee of 14 meeting, it is advisable to pay more attention to details. This questionable budget "anomaly" situation cannot continue indefinitely. Neil Reisner did ask questions, and he was the lone no-vote no on the Bud Com approval on May 14, 2012. Pete Boyce prepared the budget professionally. It's a couple of

procedural glitches that are problematic. I was the only citizen present who spoke against approval of this budget on May 14, 2012. When all is said and done, how many years have accumulated with the city budget adopted improperly?

This letter is a legitimate 2012-13 Budget **Complaint**. I was on the budget committee in 2000. I attended the budget committee meeting in June 7 2011, Council meeting June 28 2011, and May 14 2012 BudCom, and Council meeting June 12 2012. The BudCom unknowingly failed to approve the budget according to local budget law; failed to follow the procedural rules; and did not complete all the steps required by paragraph one and two, page 46, for example.

Consequently, the city is in a vulnerable position with fiscal liability. To emphasize my point, what if anyone can sue the city for property tax refund(s) for every year a budget was adopted that did not follow Local Budgeting procedures? How much will that cost the city? If only half the tax-payers in town join the lawsuit as a class-action, the town might as well fold up its tent. The town might as well disincorporate. I think you can guess how many townsmen will be standing in line to file the initiative petition?

The fourteen city council-and-citizen Budget Committee members are doing it like they've always done it. Change isn't easy. Eventually the fiscal cliff will fall down on your heads, if you don't change your shortsighted attitudes such as: only budget committee members are qualified to comment on the budget; only city Councilors and city officials and insiders really know what's going on; the voters aren't smart enough to run this town (not true). There are times to trust your public officials and times to doubt them. Wise men know when.

I expect the Council to place this subject/letter on the next city Council Agenda; or the upcoming Budget Committee Agenda, for discussion and deliberation. I expect an answer in 10 days to my questions. Be advised, if you again bury my letter in "correspondence", as a cover for taking no action, there will be complications. I advise you to give my comments some serious thought, and set aside second meeting(s) time to discuss them (at least). I anticipate some of you will not comprehend my conclusions. That is on you, not me.

Best regards,

Rose Johnson

The Public Meeting Law policy statement (ORS 192.620):

6-8

The Oregon form of government requires an informed public aware of the deliberations and decisions of the governing bodies and the information upon which such decisions were made. It is the intent of ORS 192.610 to 192.690 that decisions of governing bodies be arrived at openly.

Peter Boyce

From: rose [mrosej47@comcast.net]
Sent: Friday, January 18, 2013 12:49 PM
To: Peter Boyce; nathan@rietmannlaw.com
Subject: Fw: COUNCIL, PLANNING COMMISSION, BOARD & COMMITTEE MEMBERS

FORWARD 1/18/2013

PETE, HOW ABOUT AN ANSWER TO THIS EMAIL?

----- Original Message -----

From: rose
To: Peter Boyce
Sent: Wednesday, January 09, 2013 3:14 PM
Subject: COUNCIL, PLANNING COMMISSION, BOARD & COMMITTEE MEMBERS

PETE & CITY COUNCIL

CC: PLANNING COMMISSION, LIBRARY BOARD, ETC & EMAIL LIST FOR
PUBLIC NOTICE OF COUNCIL MEETINGS.

RE GLADSTONE WEBSITE CONTACTS

IN THE SPIRIT OF OPEN GOVERNMENT (aka TRANSPARENCY) I WANT TO SEE THE NAMES OF COUNCIL, COMMISSION, BOARD & COMMITTEE MEMBERS INCL PHONE NUMBERS, MAIL ADDRESSES AND EMAIL ADDRESSES POSTED ON THE CITY WEBSITE FROM NOW ON. IF SOMEONE IS HAVING A PRIVACY PROBLEM, SUCH AS A STALKER, A WARRANT FOR ARREST, AN ESCAPE FROM JAIL, EVADING THE IRS, OR SKIPPING CHILD SUPPORT, THEY CAN ALWAYS POST A DUMMY ADDRESS, PHONE OR EMAIL. THE CITY WILL OF COURSE OFFER SOME ACCOMODATION.

BY THE WAY, THE PUBLIC RECORDS AND MEETINGS MANUAL under 162.660 STATES --THEIR NAMES, ADDRESSES AND EMAILS ARE **PUBLIC RECORD**.

SO YOU CANT SAY NO. SEE P R&M MANUAL, PAGE

OTHER CITIES LIKE HAPPY VALLEY ALREADY LIST THIS INFO.

SOMETIMES A CITIZEN MAY WANT TO CONTACT A CITY OFFICIAL OR BOARD-COMMITTEE MEMBER DIRECTLY. IF THERE'S A PROBLEM, THE CITY COMMITTEE PERSON OR BOARDER CAN BLOCK PHONE & EMAIL AND USE A PO BOX. OR SEND MAIL C/O PETE BOYCE.

6-10

IF THIS REQUIRES A COUNCIL REVIEW PLEASE ASK THE COUNCIL TO PUT IT ON THE NEXT COUNCIL MEETING AGENDA.

IF THE COUNCIL DECIDES NOT TO PUT MY LETTER/QUESTION ON THE AGENDA, I EXPECT A WRITTEN ANSWER W/I 10 DAYS.

UNLESS I MARK A LETTER/EMAIL AS CONFIDENTIAL CC: ALL MY CORRESPONDENCE I TO THE COUNCIL MEETING PACKET

OF COURSE YOU RESERVE THE RIGHT NOT TO POST INAPPROPRIATE CONTENT.

I DONT APPRECIATE THE COUNCIL TAKING NO ACTION ON MY EMAILS/QUESTIONS/SUGGESTIONS/INQUIRIES. YOUR HABIT OF BURYING MY CORRESPONDENCE IN "CORRESPONDENCE" IS MOST UNSATISFACTORY.

AS YOU KNOW, THE COUNCIL HANDBOOK REQUIRES A RESPONSE TO EVERY CITIZEN'S LETTERS/QUESTIONS, EVEN IF ITS FROM SOMEONE LIKE ME.

BEST REGARDS

ROSE JOHNSON

City of GLADSTONE

Date: February 6, 2013

To: Mayor Byers and City Council

From: Pete Boyce, City Administrator 

Re: Correspondence regarding City Council minutes

Rose Johnson has indicated that she perceived that the City Council minutes are gender biased. I have attached related correspondence. I have reviewed the video and minutes related to the July 10, 2012 minutes and in my opinion find no inaccuracies or gender bias. I am placing this item on the agenda to give City Council the opportunity to express its observations of the minutes and provide corrections if needed. The video of the meeting is available on the city website at the following link. http://www.ci.gladstone.or.us/council_packets.html I am providing a hard copy of the minutes in the packet.

City Hall
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5223
FAX: (503) 650-8938
E-Mail: (last name)@
ci.gladstone.or.us

Municipal Court
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5224 ext. 1
E-Mail: municourt@
ci.gladstone.or.us

Police Department
535 Portland Avenue
Gladstone, OR 97027
(503) 656-4253
E-Mail: (last name)@
ci.gladstone.or.us

Fire Department
555 Portland Avenue
Gladstone, OR 97027
(503) 557-2776
E-Mail: (last name)@
ci.gladstone.or.us

Public Library
135 E. Dartmouth
Gladstone, OR 97027
(503) 656-2411
FAX: (503) 655-2438

Senior Center
1050 Portland Avenue
Gladstone, OR 97027
(503) 655-7701
FAX: (503) 650-4840

City Shop
18595 Portland Avenue
Gladstone, OR 97027
(503) 656-7957
FAX: (503) 722-9078

GLADSTONE CITY COUNCIL MINUTES OF REGULAR MEETING – July 10, 2012

ROLL CALL

The following city officials answered the roll call: Mayor Wade Byers and Councilors Hal Busch, Walt Fitch, Ray Jaren, Kari Martinez, Thomas Mersereau, and Lendon Nelson.

ABSENT: None

STAFF

Pete Boyce, City Administrator; Rhonda Bremmeyer, Senior Center Director; David Doughman, City Attorney; Mike Funk, Fire Marshall; Stan Monte, Acting Fire Chief; Heather Martin, City Attorney; Jolene Morishita, Assistant City Administrator; Mary Nixon, Library Director; and Jim Pryde, Police Chief; Scott Tabor, Director of Public Works.

BUSINESS FROM THE AUDIENCE

Les Pool, Milwaukie-Oak Grove thanked Tom Mersereau for his efforts at the Bomber Restaurant who is responsible for the restoration of the airplane at that site. The airplane will be taken to Aurora for restoration.

CONSENT AGENDA

Item(s) Removed from the agenda:

2. Acceptance of Library Director Nixon's Letter of Resignation.

1. Approval of May 8, 2012 and June 12, 2012 Minutes

3. Select Water and Stormwater Master Plan Consultant

4. Payment of June Claims

Councilor Nelson moved and Councilor Busch seconded a motion to approve the Consent Agenda Items 1, 3, and 4.

Motion Passed unanimously.

Discussion: Mary Nixon, Library Director, 135 E. Dartmouth submitted her letter of resignation. She explained it was a difficult decision for her and that part of it was based on her inability to provide sufficient leadership regarding the construction of a new library and convince the Council to aggressively move ahead regardless of a few vocal opponents that mounted a campaign against the new library project. If this campaign is to move forward it will take strong commitment and leadership from the Council. She asked that the Council not wait for a citizen group to take on these roles. The City is blessed with an outstanding library board, conscientious library staff, and incredible library patrons. She expressed her pleasure and honor to have served as library director of the city library.

Councilor Martinez moved and Councilor Fitch seconded a motion to accept the Ms. Nixon's resignation with deep regret and profound thanks for the hard work on behalf of the library patrons that has been given to the City by Mary Nixon.

Motion Passed unanimously.

CORRESPONDENCE

5. Receipt of Letter from Rose Johnson dated June 21, 2012 June 18, 2012; June 12, 2012; and May 8, 2012 regarding the library and budget.

6. Letter from Kim Sieckmann regarding Resolution 1017.
7. Letter from Thomas Cutler regarding Resolution 1017.
Two Letters received from Neil Reisner dated July 10, 2012

REGULAR AGENDA

8. Public Hearing – Resolution 1017, a Resolution Interpreting Citizen-Initiated Gladstone Charter Amendments Designated as Measure 3-394 and Measure 3-395. Heather Martin, City Attorney, went over changes made to the Resolution and Exhibit B since the last meeting:
 - Page 8-3, added the sentence, “The term does not include drawings prepared for initial project cost estimates.”
 - Page 8-4, Item 7, first sentence, second line, add the words, “*preparation and*” to read, “...Public Project including the preparation and submittal of applications...”
 - Page 8-4, Item 7, fifth line, add the words, “*or Public Project components or phases*” to the sentence to read, “...feasibility of a Public Project or Public Project components or phases; research regarding financing...”
 - Page 8-4, Item 7, deleted, “...non-substantive changes to a previously approved land use or permit decision or approval, including the extension...”

Council Questions:

Question: What is the definition of the term “*emergency work?*” Answer: City Attorney Martin stated she tried to stay with State Law and the definition was based on their definition of public improvement found in ORS-279A:010.

Question: Is it possible to put a limit to the amount allowed in the planning stage. Answer: City Attorney stated it would be difficult to choose an arbitrary number. It would not add anything to the definition.

Public Comments:

Thomas Cutler, 5000 SW Meadows Road, Suite 400, Lake Oswego, OR 97035 is the attorney for Kevin Johnson and Kim Sieckmann. In his letter submitted he applauds the effort to refine and come up with definitions that actually help solve issues presented to the Council. He suggests:

- Preliminary work should not be open-ended. He suggested an amount that is substantial (\$100,000 or less) so there will be no objection that it has violated the spirit of the ordinance.
- There is a proposal in the resolution that up to three years for short-term financing. The term of debt does not matter, debt is debt. A public project is not routine maintenance it is something that is built into the budget. There should be a time frame of 13 months then it is built into the yearly budget cycle.

Kim Sieckmann, 145 W. Dartmouth objected to the three-minute limit. His comments on this resolution include:

- Resolution 1017 claims it is vague and ambiguous in the fifth whereas. The City Attorney explained this paragraph and it was not vague and ambiguous.
- The sixth whereas says its inconsistent with each other creating questions of how the amendments could be interpreted. This too was explained. There are two separate charter amendments, they are not tied together and do not conflict with each other. It should be stricken.

- Page 8-3, #1 should have definitions. He agrees the debt should be a year not three years.
- Page 8-4, #9, second line should be changed to read, "...on the property by or on the behalf of the City."
- The words "*minor alterations*" and "*minor repair*" should have a definition.
- Page 8-6, Agencies does not include Gladstone Renewal Agency which is the only Agency in Gladstone.

Mr. Sieckmann requested more time for himself and his attorney.

Brian Johnson noted the City would not be in this situation if there had been a vote of the residents. He objects to the time limit for speakers.

Rose Johnson, 5080 Abernathy Court is disturbed that there is a majority of city councilors who for 20 years have been chasing a new library. The election was not in the City's favor yet the Council is trying to revise the ordinances to go ahead with their plans. She feels the majority of the Council should resign as requested. She asked that Resolution 1017 be postponed and have a committee of able citizens help with the Charter amendments. This is unethical and there will be several recalls.

Council Discussion:

Mayor Byers suggested postponing this issue until next month's meeting. Suggestions for revisions:

- Definitions for construction terms "*ordinary repair*," "*minor alterations*," "*emergency work*," and "*maintenance*."
- Time period for debt
- Change page 8-8, #7 to read, "...\$1,000,000 or more, whether directly by the City or through its Urban Renewal Agency, the City must first receive..."
- David Doughman, City Attorney, 1750 Harbor Way suggestion of resolution of the Urban Renewal Agency, "We as the Urban Renewal Agency intend to be bound by the same limitations that are in the City Charter."

Kim Sieckmann asked if additional information can be submitted if this issue is continued. Answer: Mayor Byers said yes.

Charles Gustafson, 6635 Buckingham Drive asked if this measure is for the library. Answer: Mayor Byers said no.

Mayor Byers continued Resolution 1017 until the next Council meeting.

10. Ordinance 1439, An Ordinance to Renew Design Review Approvals – Chapter 17.80 of the GMC. David Doughman, City Attorney explained this is an ordinance to amend the Development Code, Chapter 17.80. Currently design review decisions are valid for one year from the date of the decision. The applicant can ask for a renewal of decision for an additional year and the Planning Commission can hear and decide that request. It does allow the Council to renew a decision if the Planning Commission rejects a request or failed to act on a request. He recommends the City not address the one condition that LUBA remanded to the City until Gladstone voters approve construction of a new library at a future election.

Mayor Byers opened the public hearing and asked for the first reading of Ordinance 1439 by Title Only. Assistant City Administrator Morishita read Ordinance 1439 by title only.

Public Comments:

Kim Sieckmann, 145 W. Dartmouth is in favor of this Ordinance; however, he does feel that design review should remain a decision of the Planning Commission. There needs to be an appeal process where the issue would come before Council.

Councilor Nelson moved and Councilor Busch seconded a motion to consider this the first reading of Ordinance 1439.

Discussion:

City Attorney Doughman stated he is not in favor of an appeal process because it delays the renewal.

A roll call vote was taken with the following results: Councilors Jaren, yes; Mersereau, no; Martinez, yes; Fitch, yes; Busch, yes; Nelson, yes; Byers, yes.

Motion passed 6-1.

Mayor Byers explained there will be a second reading at another meeting.

11. Public Hearing, Library Remand from Land Use Board of Appeals (LUBA). Mayor Byers Reported staff has requested that this issue be tabled to a later date.
12. Recommendation from Planning Commission Regarding Z0699-05-M, Request for Release of Funds for Sidewalk Improvements. City Administrator Boyce reviewed the issue with the Council. An applicant filed a performance guarantee for construction of certain sidewalks in the City in lieu of making the improvements. The applicant has asked that the funds be returned since a portion of the sidewalk was not constructed. Council asked the Planning Commission to consider this item and give a recommendation. It was the consensus of the Planning Commission that the funds not be returned. The basis for this decision is that the goal is to have sidewalks eventually and these funds will go towards that construction.

Councilor Martinez moved and Councilor Fitch seconded a motion to accept the recommendation of the Planning Commission.
Motion passed unanimously.

13. 2011-2012 Library Review Brochure. Mary Nixon, Library Director presented to Council a depiction of how various groups see librarians and a year-end Library Review Brochure. Between July 1, 2011 and June 30, 2012 76,000 used the library with 13,000 internet sessions equaling 6,600 hours. This is an increase over the previous year. The library is meeting a high-demand for internet access computer. There were 425 uses of the family cultural passes free of charge. There were 37 checkouts per patron, a \$925 value per patron. She commended Katinka Bryk, Interim Assistant Director who was responsible for coordinating putting the brochure together. Brochures are available at the library and on-line at the library's website.

Council Discussion:

Councilor Martinez stated she was impressed with the brochure statistics of the library. The total value of the items that are circulated in a year was over \$7,200,000.

It was asked if there will be a book sale at Chautauqua Festival. Answer: Ms. Nixon said yes.

14. New Library Status. City Administrator Boyce reported the project is on hold until there is a vote. The consultants, architects and project manager have stopped work. The design is 99% complete. During a meeting with County Administrator Steve Wheeler Administrator Boyce informed him that Council was looking at a resolution to interpret the Charter Amendments and proposed timeline. Mr. Wheeler may be developing an official opinion for the County and Gladstone may receive a letter requesting return of the \$1.5 million.

Public Comments:

Les Poole, Oak Grove stated he is noticing similarities in this region as he lives in Oak Grove close to the light rail plan terminus. Being a library supporter and patron he sees that Gladstone has just learned a hard lesson. He encouraged everyone that participated in the measures to continue. Citizens need to weigh in on what is going on in their community.

Charles Gustafson, 6635 Buckingham Drive is in favor of the library. He would like to see it on the November ballot. He was confused with the terminology of the last ballot measures.

Colette Umbras, 7515 Ridgewood Drive is disturbed from hearing comments about not enough planning or public input for this proposed library. She has been involved personally in different roles of this process including serving on the planning and design committees. She is the President of the Library Foundation and trying to get the library built. There have been hearings in Gladstone, City Council, and Oak Grove. This library will serve everyone in the Clackamas County. She hopes there is a vote in November; she knows the citizens will support it.

Maryanna Moore went to the first meeting of the library board. They took names and addresses but she never heard from them again. She feels that if you didn't have the same vision they had you were not welcome. Everyone would like a new library however she objects to what plans were chosen, the amount of money, how they selected the architect, and numerous things that did not come before the public.

Brian Johnson voiced his displeasure with the City not using the Danielson Thriftway site. He asked the Council to put the issue on the ballot.

Herb Otkin, 6767 Oakridge Drive stated he is tired of all the bickering that is going on regarding the proposed library. He feels the library as proposed is the best deal the City could possibly have. The library is a very important function in this community and its citizens need to support it.

Charles Gustafson, 6635 Buckingham Drive asked that the proposed library be put on the ballot for a vote.

Rose Johnson suggested the Council look into the possibility of remodeling the current library. This could be cheaper than the proposal and it is a viable option. If the Gladstone library is not built the Oak Grove library will not close.

Council Comments:

Councilor Fitch stated he has been on the library planning committee for over three years. He agrees with the group that put the ballot measure together. He would like to see the proposal put on the ballot that allows the citizens to vote.

Councilor Fitch moved and Councilor Martinez seconded a motion to put the existing library proposal on the ballot for the November election. Motion carried unanimously.

10. BUSINESS FROM THE COUNCIL

- Councilor Mersereau reported the long-range planning tool that was approved is in the process. The plan is to develop a 20-year planning tool that is linked to the actual budget. He would like to get some input from citizens.
- Councilor Martinez attended the long-time married people function at the Senior Center. She was impressed with the number of people and the total number of years of married people in Gladstone. It was a very nice event.
- Councilor Fitch thanked the Council for attending the luncheon at the senior center.
- Councilor Fitch announced on Wednesday, July 18th at 11:30 a.m. the Senior Center will host a barbeque honoring the Gladstone Police Department. He invited all to attend.
- Councilor Fitch reported as part of the Chautauqua-Festival on Thursday, August 2nd there will be a community dinner at the park from 4:00 p.m. to 7:00 p.m. August 3rd is Senior Day starting at 9:00 a.m. Summerset will be doing breakfast and lunch for the seniors. The parade will be on the 5th and the Festival will conclude in the afternoon. Town and Country Honda will be the major sponsor for this year's event.
- Mayor Byers announced the Gladstone Business Association meeting on July 11th. This is the annual barbeque at the TLC Carpet Cleaning.
- Mayor Byers announced August 7th is National Night Out. There is still time if someone wanted to organize an event in their neighborhood.
- Mayor Byers noted the Dennis Whittet, Pastor of the Christian Church will be resigning at the end of August. He has been a service to this community for 19 years.
- It was announced that Special Olympics begins next week. The torch will be run down McLoughlin Blvd from Milwaukie to Lake Oswego at 10:00 a.m.

Adjourn

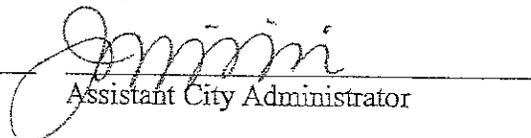
Mayor Byers recessed the Council meeting into the Urban Renewal Agency meeting and reconvened the meeting at 9:59 p.m.

The next City Council meeting was adjourned to _____, 2012, at 7:00 p.m.

Approved by the Mayor this 14 day of August, 2012.


Mayor

Attest:


Assistant City Administrator

I think, I want, I advise

In recent months, I noticed the Gladstone City Council minutes writer is inserting "I feel" before statements made by people testifying. It happens too often to attribute to chance: "I feel" is attached to a female testifying, when she never used the phrase. Most of the time, the men get, "he said, he testified, he thinks, he wants" etc. (all acceptable sentence starters).

Why in 2013 would a city produce inaccurate minutes that are offensive, sexist and sexually discriminatory in public meeting minutes? I want the city to stop this sexist practice. The city did not answer my recent letter concerning the misquotes. They ignored my request to put the subject on the next meeting minutes.

Perhaps the minutes writer needs some sexual harassment-avoidance training. Adopt the policy: Never use "I feel" in the minutes of any person's testimony unless they actually say it. It's inaccurate. Sometimes people say "I feel" out loud. If so, feel free to quote it.

Sate law requires "accurate meeting minutes."

In some circles the phrase "I feel" is considered illiterate and inferior. So misquoting such phrases to women's speech is discriminatory. It is comparable to saying, "She is so emotional, we don't have to listen to her," etc.

However, the minutes writer continues to take liberties and repeatedly singles out feminine voices for "I feel," when the woman did not use the phrase. This is gender bias. It's offensive to women. Please clean up the minutes from now on. Accuracy is good. Sexism is illegal.

Another serious inaccuracy appears in the July 2012 minutes. Two female citizens were quoted as having used the word disturbed. We did not. I find the minutes writer's insertion of those words, "feel" and "disturbed" very, very offensive and gender-bias discrimination. To remedy the problem, it looks like I must hire an attorney and file a lawsuit against the city.

Is there anyone out there who shares my concerns?

Rose Johnson

Gladstone

Editor's note: City Administrator Pete Boyce notified Gladstone City Council's minutes writer of these observations. "Moving forward she will consider this input, and city staff will review minutes with your observations in mind," Boyce wrote last week to Johnson, asking for detailed citations of specific examples of possible inaccuracies. Boyce told this newspaper that City Council may vote to correct the minutes if any discrepancies are found.

Peter Boyce

From: Peter Boyce
Sent: Friday, January 18, 2013 1:34 PM
To: 'rose'
Subject: RE: Please correct minutes & gender bias

Rose,

Thank you for directing me to your letter in the Clackamas Review as I have been waiting to get meeting dates from you. I am taking this matter seriously which is why I asked you to provide specific examples of gender bias in the City Council minutes. Please remember the minutes are not meant to be a transcript but rather a record that captures a summary of discussions and decisions. With that said, I plan on informing City Council of the facts related to the July 2012 minutes you identified specifically in your letter to the Clackamas Review. The letter states that the minutes writer indicated that "two female citizens were quoted as having used the word disturbed. We did not." In previous correspondence to me you stated "'I feel'" is attached to a female testifying, when she never used the phrase. Most of the time, the men get, he said, he testified, he thinks, he wants etc. (all acceptable sentence starters)"

Here is what I found after reviewing the July 10, 2012 City Council meeting minutes and reviewing the video recording of the meeting. The minutes and video recording can be found at the following link.
http://www.ci.gladstone.or.us/council_packets.html

The July 10, 2012 minutes state the following in part: "Rose Johnson, 5080 Abernathy Court is disturbed that there is a majority of city councilors who for 20 years have been chasing a new library. The election was not in the City's favor yet the Council is trying to revise the ordinances to go ahead with their plans. She feels the majority of the Council should resign as requested. She asked that Resolution 1017 be postponed and have a committee of able citizens help with the Charter amendments. This is unethical and there will be several recalls." The minutes do not quote the speaker. I reviewed the video recording of this meeting, which is available on the City website and found that during the public hearing on Resolution 1017 your testimony includes the partial statement "... This is a disturbing outcome..." and did not include the word "feel."

Later in the meeting Collette Umbras' testimony was reflected in the minutes as "Colette Umbras, 7515 Ridgewood Drive is disturbed from hearing comments about not enough planning or public input for this proposed library. She has been involved personally in different roles of this process including serving on the planning and design committees. She is the President of the Library Foundation and trying to get the library built. There have been hearings in Gladstone, City Council, and Oak Grove. This library will serve everyone in the Clackamas County. She hopes there is a vote in November; she knows the citizens will support it." The minutes do not quote the speaker. My review of the recording indicates that her statements included this phrase "Tonight in particular has been very disturbing for me hearing some of the comments about there hasn't been enough planning."

Maryanna Moore who also testified at the meeting is represented in the minutes as follows: "Maryanna Moore went to the first meeting of the library board. They took names and addresses but she never heard from them again. She feels that if you didn't have the same vision they had you were not welcome. Everyone would like a new library however she objects to what plans were chosen, the amount of money, how they selected the architect, and numerous things that did not come before the public." The review of the recording indicates that she stated in part "...None of us don't want a library, we just feel that what they chose..."

Also of note, the minutes indicated that "Kim Sieckmann, 145 W. Dartmouth is in favor of this Ordinance; however, he does feel that design review should remain a decision of the Planning Commission. There needs to be an appeal process where the issue would come before Council." The minutes do not quote the speaker. As you know Kim Sieckmann is male. The recording indicates that he did not use the phrase "he does feel" although the term is used in the minutes.

7-9

Herb Otkin's testimony is captured in the minutes as follows: "Herb Otkin, 6767 Oakridge Drive stated he is tired of all the bickering that is going on regarding the proposed library. He feels the library as proposed is the best deal the City could possibly have. The library is a very important function in this community and its citizens need to support it." The minutes do not quote the speaker. Review of the video recording indicates that Herb Otkin did not use the phrase "He feels..." in his testimony.

In my interpretation of the facts pertaining to the July 10, 2012 City Council minutes I do not see them to be gender biased. I intend to let City Council review this information at the February 12th regular meeting in order to make its own determination. Again, please let me know if you have other examples.

Pete

Peter J. Boyce
City Administrator
City of Gladstone
525 Portland Avenue
Gladstone, OR 97027
Office: 503.557.2767
E-mail: boyce@ci.gladstone.or.us

From: rose [mailto:mrosej47@comcast.net]
Sent: Thursday, January 17, 2013 12:56 PM
To: Peter Boyce
Subject: Fw: Please correct minutes & gender bias

REVISED 1/17/13

----- Original Message -----

From: [rose](#)
To: [Peter Boyce](#)
Sent: Thursday, January 10, 2013 2:40 PM
Subject: Fw: Please correct minutes & gender bias

Pete,

NO. NOT CITY STAFF. I ASKED FOR THIS MATTER TO BE TAKEN SERIOUSLY. IT NEEDS TO BE ON THE COUNCIL AGENDA. YOU AND STAFF CAN TRY TO FIX IT BUT I WANT THE COUNCIL TO EXPLAIN WHY THEY CLUELESSLY APPROVED MINUTES THAT PUT "i feel" and "she is disturbed in the minutes! Its 2013. Title 7 (federal) dates back to 1973. FORTY YEARS AGO. HOW DOES THE COUNCIL OVERLOOKED THIS?

IT IS NOT APPROPRIATE TO BLAME THE MINUTES WRITER. I will not be amused if your minutes writer is a woman! I have a copy of a book called "in a different voice" by nancy gilliam. your writer needs to read it.

anyway. yes examples will look up asap

rj

PS THE GENDER BIAS DATES IN THE CITY MINUTES ARE IN MY LETTER TO THE EDITOR IN CLACKAMAS REVIEW 1/16/13

----- Original Message -----

From: Peter Boyce

To: rose

Sent: Thursday, January 10, 2013 10:05 AM

Subject: RE: Please correct minutes & gender bias

Rose,

The City has notified the minute writer of your observations. Moving forward she will consider this input and city staff will review minutes with your observations in mind. Could you cite specific examples?

Pete

Peter J. Boyce

City Administrator

City of Gladstone

525 Portland Avenue

Gladstone, OR 97027

Office: 503.557.2767

E-mail: boyce@ci.gladstone.or.us

From: rose [<mailto:mrosej47@comcast.net>]

Sent: Monday, December 31, 2012 11:40 PM

To: Peter Boyce; Tami Bannick

Subject: Please correct minutes & gender bias

TH

City manager admits to inaccuracy

Created on Wednesday, 30 January 2013 03:00 | Written by [Rose Johnson](#) | 

The Gladstone city manager distorted the facts last week (“No evidence of bias in Gladstone minutes”).

By his own admission, and as the meeting videotape proves, the July 10, 2012, minutes are inaccurate. Boyce admitted the July tape misquoted two women in the written minutes. He admits I did not say “I feel” on tape. Misquotes in the minutes are substantially different than the videotape of both Ms. Umbras’ and my testimony. In spite of that, Boyce continues to insist, it is OK for the minutes to misquote citizen testimony. If Boyce can finally get the quotes correct in last week’s Community Soapbox, why couldn’t he get the minutes accurate back in July 2012? Boyce’s excuse that minutes law allows misquoting is ridiculous.

If you look at state law, it states the following: 1) written minutes need not be verbatim, 2) whatever means of recording used must give a true reflection of the matters discussed at the meeting and the views of the participants 3) The record of any meeting shall include at least the substance of any discussion on any matter and a reference to any document discussed at the meeting.

Reasonable people will agree that minute’s law does not authorize misquoting public testimony. Boyce’s interpretation of the minute’s law completely misses the point. Paraphrasing does not mean the city has leeway to misquote. Otherwise, why keep minutes of public meetings at all? Accuracy is the most important requirement of ORS 192.650. It is just plain wrong for Boyce to try to excuse inaccurate minutes. Boyce is responsible for editing the final draft of the minutes prior to submission to City Council for approval. Boyce is bluffing when he repeats “the minutes do not quote the speaker.” He implies what the minute’s law means to him, not what the minutes law means in real life.

The effect of falsely attributing “She is disturbed” to Umbras and me is offensive. “Disturbed” is far more egregious than the comparatively mild, “feel.” Curiously, there is a scarcity of males testifying getting such offensive misquoting. In contrast, consistently, the men are quoted saying, he thanked, I applaud, he suggests, he objected, etc.

Why is it so hard for the city to just stop misquoting citizen testimony from now on? Boyce doesn’t realize Moore, Sieckmann, and Otkin’s testimony is irrelevant to this discussion. Ms. Moore said, “We feel like” on tape; she was not misquoted. Boyce admits the written minutes misquote Sieckmann; he did not say “he does feel;” Otkin did not say “he feels.”

Then, Boyce destroys his own argument by implying, if we misquote two men, then it doesn’t mean any harm when we misquote two women. Again, Boyce missed the point. The primary objection to the misquotes is the inaccuracy. Gender is a secondary factor,

which can not be ruled out entirely. Boyce relies on only five examples, three irrelevant, to arrive at questionable conclusions.

I researched “he said’s” and “she said’s” for July 2012, which show 26 males were quoted; two men were misquoted on the tape. So the men’s stats are 93 percent neutral-accurate with a 7.4 percent misquote score. The women were accurately quoted at 70 percent; and misquoted 30 percent of the time. All the misquotes are confirmed on the videotape. In spite of this, Boyce tries to defend the indefensible. Why did Boyce take the low road?

By the way, government transparency or openness is vital to a healthy democracy. The Oregon Supreme Court, in MacEwan vs. Holm (1961), stated, “Writings.... Shall generally be accessible to members of the public so that there will be an opportunity to determine whether those who have been entrusted with the affairs of government are honestly, fairly, and competently performing their functions as public servants.”

Voters are smart enough to figure out why public-meeting minutes must be accurate. Case closed.

Rose Johnson is a resident of Gladstone.

Dec 31, 2012

TO: Pete Boyce, City Manager
Gladstone City Council
Planning Commission
Library Board
Senior Center Board

SUBJECT Meeting minutes, accuracy

Pete & City Councilors:

In recent year's I noticed the minutes writer is inserting "I feel that..." before statements made by people testifying. It happens too often to attribute to chance. "I feel" is attached to a female testifying, when she never used the phrase. Most of the time, the men get, he said, he testified, he thinks, he wants etc. (all acceptable sentence starters)

I want to see the minutes editor get some sexual harassment avoidance training. Adopt the policy: Never use "I feel" in the minutes of a person's testimony unless they actually say it. Its inaccurate. Sometimes people say "I feel" out loud. So, feel free to quote it. Although, in some circles the phrase is considered illiterate.

However, the minutes writer continues to take liberties and repeatedly singles out feminine voices for "I feel", when the woman did not use the phrase. This is gender bias. Its offensive to women. Please clean up the minutes from now on. Accuracy is good. Sexism is illegal.

If I am unable to attend the next meeting, please read my letter out loud into the record. Please consider this subject for the next city council meeting Agenda. Also, please include this letter in Correspondence in the city council Agenda packet.

I expect to hear from you in the next ten days.

Best Regards,
Rose Johnson



Oregon

John A. Kitzhaber, MD, Governor

Department of Environmental Quality

Northwest Region

2020 SW Fourth Avenue, Suite 400

Portland, OR 97201

(503) 229-5263

FAX (503) 229-6957

TTY 711

April 26, 2012

Pete Boyce
City of Gladstone
525 Portland Ave.
Gladstone, OR 97027

RE: **Pre-Enforcement Notice**
City of Gladstone
PEN -NWR-WQ-12-0023
Clackamas County

Dear Mr. Boyce:

The Department has reviewed several OERS report from January through March of 2012, regarding the Sanitary Sewer Overflows that occur on Portland Ave at/near Clackamas Blvd, in Gladstone, Oregon. The SSO reports, submitted by City of Gladstone personnel (Pete Boyce and Scott Tabor), indicated that the overflow flowed into the Clackamas River, and was caused by the surcharging of a sanitary sewer line.

SANITARY SEWER OVERFLOWS, GLADSTONE, OR January through March 2012						
OERS Report #	DATE STARTED	LOCATION	RAINFALL REPORTED (5 YR STORM)	GALLONS RELEASED	RECEIVING STREAM	SIGNS/ MEDIA/ BACTERIA/ TESTING
2012-0247	1-19-2012	Portland Ave at Clackamas Blvd	>2 inches (3.0 in/24 hr)	77,400	Clackamas River	Yes -Signs Yes -Media No - Testing
2012-0734	3-15-2012	Portland Ave at Clackamas Blvd	0.99 inches (3.0 in/24 hr)	17,000-20,000	Clackamas River	Yes -Signs Yes -Media No - Testing
2012-0898	3-30-2012	Portland Ave at Clackamas Blvd	0.99 inches (3.0 in/24 hr)	7,000-10,000	Clackamas River	Yes -Signs Yes -Media No - Testing

The City reports there is a cross connection between stormwater and sanitary sewers such that heavy rain causes an overflow. A manhole has been equipped with a self reporting manhole cover that documents overflows.

By consulting with the Departments internal guidance on Sanitary Sewer Overflows (November 2010), the one-in-five-year 24-hr duration storm for this location is 3.0 inches. The rainfall for these 3 SSO events was less than 3 inches in each case. Therefore, based upon the review of this data and these SSO Reports, the Department has concluded that the City of Gladstone is responsible for the following violations of Oregon environmental law:

VIOLATIONS:

ORS 468B.025 Prohibited activities. (1) Except as provided in ORS 468B.050 or 468B.053, no person shall:

- (a) Cause pollution of any waters of the state or place or cause to be placed any wastes in a location where such wastes are likely to escape or be carried into the waters of the state by any means.

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- (b) Discharge any wastes into the waters of the state if the discharge reduces the quality of such waters below the water quality standards established by rule for such waters by the Environmental Quality Commission.

OAR 340-041-0009 Bacteria

(2) Raw Sewage Prohibition: No sewage may be discharged into or in any other manner be allowed to enter the waters of the State, unless such sewage has been treated in a manner approved by the Department or otherwise allowed by these rules.

In accordance with OAR 340-012-0055(1)(a) and 0055(1)(c) the violations listed above are Class 1 violations. Class I violations are considered to be the most serious violations; Class III violations are the least serious.

The violations cited above pose a threat to human health and the environment and the matter is being referred to the Department's Office of Compliance and Enforcement for formal enforcement action. Formal enforcement action may result in assessment of civil penalties and/or a Department order. A formal enforcement action may include a civil penalty assessment for each day of violation.

If you believe any of the facts in this Pre-Enforcement Notice are in error, you may provide written information to me at the address shown at the top of the letter. The Department will consider new information you submit and take appropriate action.

The Department endeavors to assist you in your compliance efforts. Should you have any questions about the content of this letter, feel free contact me in writing or by phone at 503-229-5292, or by e-mail at wiren.mer@deq.state.or.us.

Sincerely,



Mer Wiren, P.E.
Permit Writer and Environmental Engineer
Water Quality Source Control Section, Department of Environmental Quality

B-2



It's disappointing that a majority of the City Council can't even agree to at least get more information on LSSI and their program. Instead listen to people like Nancy Ecihsteadt. She is less than honest when she blames LSSI for the Butte Falls library only being open 8 hours a week. Butte Falls is a town with a population of 425 people. It is one of 15 libraries in Jackson County operated by LSSI. The fact is if Nancy loves libraries as much as she claims she should be thanking LSSI because without that evil corporation every library in Jackson County would be closed.

It's a shame the Council makes decisions without having all the information—but that's nothing new.

Kevin Johnson



REGULAR AGENDA

January 29, 2013

To the Honorable Mayor and City Council
City of Gladstone
Gladstone, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gladstone (the City) for the year ended June 30, 2012. Professional standards (for Certified Public Accountants) require that we provide you with the following information about our responsibilities under general accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 13, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note (1) to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

There was one prior period adjustment that was included in the financial statements:

Revenue – During the year, it was discovered that revenue in the State Revenue Sharing Fund was under-stated due to an error. A prior period adjustment of \$21,543 was recorded to correct this error and increase net assets.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimate of the accumulated depreciation is based on historical cost or estimated historical cost if purchased or constructed and donated capital assets are recorded at estimated fair market value at the date of donation.

Management's estimate of the compensated absences payable is based on current wages.

Management's estimate of the OPEB liability is based on the actuarial valuation dated July 1, 2009.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Capital Assets in Note (5) to the financial statements summarizes the changes in capital assets for the year ended June 30, 2012.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted several known and likely misstatements with a total financial statement effect of \$43,141 for the City. Management has determined that its effect is immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 29, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those

statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

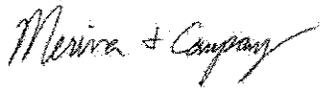
Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

If you should have any questions or comments, we will be pleased to discuss this report with you at your convenience.

Very truly yours,



Merina & Company, LLP
Certified Public Accountants and Consultants

CITY OF GLADSTONE, OREGON

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Fiscal Year Ended
June 30, 2012
with
Independent Auditor's Report

**MERINA
& COMPANY, LLP**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

5499 AMY STREET • WEST LINN, OR 97068
PHONE: (503) 723-0300 • FAX: (503) 723-9946 • WWW.MERINACPAS.COM

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INTRODUCTORY SECTION

CITY OF GLADSTONE, OREGON
CITY OFFICIALS
June 30, 2012

City Officials

Wade Byers, Mayor
Gladstone, Oregon 97027

Term Expires

December 31, 2014

Council Members

Hal Busch
Gladstone, Oregon 97027

December 31, 2014

Ray Jaren
Gladstone, Oregon 97027

December 31, 2014

Kari Martinez
Gladstone, Oregon 97027

December 31, 2014

Walt Fitch
Gladstone, Oregon 97027

December 31, 2012

Len Nelson
Gladstone, Oregon 97027

December 31, 2012

Thomas Mersereau
Gladstone, Oregon 97027

December 31, 2012

City Administrator

Peter Boyce
Gladstone, Oregon 97027

Assistant City Administrator

Jolene Morishita
Gladstone, Oregon 97027

Municipal Judge

Linda Beloof
Gladstone, Oregon 97027

CITY OF GLADSTONE, OREGON

CITY OFFICIALS

June 30, 2012

Chief of Police

Jim Pryde

Gladstone, Oregon 97027

Fire Chief

Stan Monte

Gladstone, Oregon 97027

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Gladstone
Gladstone, Oregon

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 Gladstone (the City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Gladstone, Oregon, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the

basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The required supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gladstone, Oregon's financial statements as a whole. The introductory section, and other supplementary information, are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

Merina & Company

Merina & Company, LLP
West Linn, Oregon
January 29, 2012

JUNE 30, 2012
City of Gladstone
Management's Discussion and Analysis

Management staff of the City of Gladstone offers this executive summary of financial activities of the City for the fiscal year ended June 30, 2012.

Financial Highlights

The assets of the City of Gladstone exceeded its liabilities at the close of the most recent fiscal year by \$31,498,109 (net assets). Of this amount, \$17,699,204 is invested in capital assets, net of related debt, \$4,902,526 is restricted for specific purposes, and \$8,896,379 (unrestricted net assets) may be used to meet the government's obligations to creditors and to meet service expectations by its citizens. The City's total net assets increased by \$1,206,813 from prior year.

The City's governmental activities reported total net assets of \$22,018,550. Of this amount \$4,310,464 is unrestricted and thus available for spending at the City's discretion.

The City's business-type activities reported total net assets of \$9,479,559. Of this amount \$4,585,915 is unrestricted and thus available for spending at the City's discretion.

The City's governmental funds reported combined ending fund balances of \$9,010,157, an increase of \$724,865 compared to the prior year. The increase is primarily due to the addition of the Library Capital fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Gladstone's basic financial statements. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements.

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

A statement of net assets presents information on all of the City of Gladstone's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Gladstone is improving or deteriorating. The financial position of the City is best indicated by changes in cash flow and cash reserve as described in the Financial Analysis section of the City's most recent budget.

A statement of activities in this discussion and analysis presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related

cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Governmental activities of the City of Gladstone include general government, public safety, highways and streets, culture and recreation and urban renewal. Urban renewal is considered a component of the City of Gladstone even though it has separate financial statements and management discussion and analysis. Business type activities consist of water and sewer.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Gladstone, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Gladstone 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 financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Gladstone maintains eight 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, Street Fund, State Revenue Sharing Fund and Urban Renewal Fund. All of these funds are considered to be major funds. Data from the other three non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the other supplementary information described below.

Proprietary Funds. Proprietary funds represent two segments of operations, water and sewer, used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing these services to the general public on a continuing basis be financed primarily through user charges.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds consisting of a Municipal Court Fund and Library Board Trust Fund are custodial in nature and do not involve measurement of results of operations.

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

Required Supplementary Information. Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered part of basic financial statements. A budgetary comparison schedule for major governmental funds is presented immediately following the notes to the basic financial statements.

Other Supplementary Information. The statements for the non-major governmental funds and budgetary comparison schedules for both the non-major governmental funds and the proprietary funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$31,498,109 at the close of the most recent fiscal year. The following table reflects a Summary of Net Assets for these fiscal years.

TABLE 1
Summary of Net Assets as of June 30,

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Cash and investments	\$ 8,165,139	\$ 7,742,621	\$ 1,658,170	\$ 1,407,430	\$ 9,823,309	\$ 9,150,051
Restricted cash and investments	278,606	240,059	272,733	253,610	551,339	493,669
Other assets	962,361	928,588	3,188,087	3,310,667	4,150,448	4,239,255
Capital assets	13,078,293	12,838,725	6,670,911	6,680,557	19,749,204	19,519,282
Total assets	\$ 22,484,399	\$ 21,749,993	\$ 11,789,901	\$ 11,652,264	\$ 34,274,300	\$ 33,402,257
Current liabilities	331,918	614,071	359,901	339,919	691,819	953,990
Long-term debt	133,931	96,527	1,950,441	2,060,444	2,084,372	2,156,971
Total liabilities	465,849	710,598	2,310,342	2,400,363	2,776,191	3,110,961
Net assets						
Investment in capital assets, net of debt	\$ 13,078,293	\$ 12,838,725	\$ 4,620,911	\$ 4,530,557	\$ 17,699,204	\$ 17,369,282
Restricted	4,629,793	4,266,050	272,733	253,610	4,902,526	4,519,660
Unrestricted	4,310,464	3,934,620	4,585,915	4,467,734	8,896,379	8,402,354
Total net assets	\$ 22,018,550	\$ 21,039,395	\$ 9,479,559	\$ 9,251,901	\$ 31,498,109	\$ 30,291,296

By far the largest portion of the City of Gladstone's net assets reflect its investment in capital assets (e.g. land, buildings, machinery, and equipment) 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 do not have financial liquidity easily 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 pay these liabilities. The remaining balance of \$8,896,379 is unrestricted net assets and may be used to meet the City's ongoing obligations to citizens and creditors.

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The following table summarizes revenues and expenses for fiscal years 2012 and 2011.

TABLE 2
Governmental and Proprietary Activities

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Receipts						
Program receipts						
Charges for services	\$ 409,395	\$ 356,824	\$ 2,551,173	\$ 2,452,225	\$ 2,960,568	\$ 2,809,049
Operating grants and contributions	44,603	190,783	-	-	44,603	190,783
Capital grants and contributions	143,068	3,408,078	-	-	143,068	3,408,078
General receipts						
Property tax	4,835,387	4,653,887	-	-	4,835,387	4,653,887
Franchise fees and public service	1,961,921	1,936,218	-	-	1,961,921	1,936,218
Grants and contributions not rest	-	-	-	-	-	-
Interest	51,499	35,416	-	-	51,499	35,416
Other	57,754	-	4,917	1,250	62,671	1,250
Total receipts	7,503,627	10,581,206	2,556,090	2,453,475	10,059,717	13,034,681
Expenses						
Governmental activities						
General government	920,437	933,572	-	-	920,437	933,572
Public safety	3,592,482	3,551,900	-	-	3,592,482	3,551,900
Highways and streets	623,193	529,939	-	-	623,193	529,939
Culture and recreation	1,404,812	1,193,176	-	-	1,404,812	1,193,176
Urban renewal	28,361	15,702	-	-	28,361	15,702
Business type activities						
Water	-	-	742,615	830,774	742,615	830,774
Sewer	-	-	1,407,357	1,302,304	1,407,357	1,302,304
Total expenses	6,569,285	6,224,289	2,149,972	2,133,078	8,719,257	8,357,367
Change in net assets before transfers	934,342	4,356,917	406,118	320,397	1,340,460	4,677,314
Transfers	23,270	23,235	(23,270)	(23,235)	-	-
Equity income (loss) in joint venture			(155,190)	(88,724)	(155,190)	(88,724)
Changes in net assets	957,612	4,380,152	227,658	208,438	1,185,270	4,588,590
Beginning net assets	21,039,395	16,659,243	9,251,901	9,043,463	30,291,296	25,702,706
Prior period adjustments	21,543				21,543	
Ending net assets	\$22,018,550	\$21,039,395	\$9,479,559	\$9,251,901	\$31,498,109	\$30,291,296

Governmental activities. Governmental activities increased the City of Gladstone's net assets by \$957,612.

Business-type activities. Business-type activities increased the City of Gladstone's net assets by \$227,658.

Financial Analysis of the City's funds

Governmental funds. The focus of the City of Gladstone'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 of Gladstone's financial requirements. In particular, unreserved fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the City of Gladstone's governmental funds reported combined ending fund balances of \$9,010,157.

Proprietary funds. The City's proprietary funds are the same as the enterprise funds. An enterprise fund is used to account for activities for which a fee is charged to external users for services. These funds provide the same type of information found in the government-wide financial statements, but in more detail.

Budgetary Highlights

Changes to the General Fund budget included an appropriation transfer from Contingency of \$100,000 to cover operations in the Parks Department, Recreation Department, and Senior Center.

Capital Assets and Debt Administration

The following tables compare capital assets and changes in capital assets as of June 30, 2012 and June 30, 2011.

Table 3
Capital Assets at Year-end
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 5,519,830	\$ 5,519,830	\$ 640,964	\$ 640,964	\$ 6,160,794	\$ 6,160,794
Construction in Progress	1,223,341	764,671	-	-	1,223,341	764,671
Buildings	2,207,650	2,256,387	19,465	21,681	2,227,115	2,278,068
Motor vehicles and equipment	820,748	903,736	53,466	75,064	891,252	978,800
Intangible Assets	17,475	-	-	-	17,475	-
Investment in joint venture	-	-	3,057,893	3,213,083	3,057,893	3,213,083
Infrastructure	3,289,686	3,394,101	5,957,016	5,942,848	9,246,702	9,336,949
Total	<u>\$13,078,293</u>	<u>\$12,838,725</u>	<u>\$ 9,728,804</u>	<u>\$ 9,893,640</u>	<u>\$22,807,097</u>	<u>\$22,732,365</u>

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Table 4
Changes in Capital Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Beginning balance	\$ 12,838,725	\$ 11,249,712	\$ 9,893,640	\$ 10,051,246	\$ 22,732,365	\$ 21,300,958
Additions	715,716	2,187,204	216,679	150,579	932,395	2,337,783
Depreciation	(467,349)	(440,791)	(226,325)	(219,461)	(693,674)	(660,252)
Deletions	(8,799)	(157,400)	(155,190)	(88,724)	(163,989)	(246,124)
Ending Balance	<u>\$ 13,078,293</u>	<u>\$ 12,838,725</u>	<u>\$ 9,728,804</u>	<u>\$ 9,893,640</u>	<u>\$ 22,807,097</u>	<u>\$ 22,732,365</u>

Long-term debt. At June 30, 2012, the City had bonded debt outstanding of \$2,050,000 compared to \$2,150,000 at June 30, 2011. State statutes limit the amount of general obligation debt an Oregon city may issue to 3% of total real market value of all taxable property within its boundary. The current debt limitation for the City of Gladstone is \$24,324,831.

Economic Factors and next year's budget. The Gladstone community is part of the Portland Metropolitan area and business, employment and other factors generally do not directly affect the City's financial conditions. Gladstone has virtually no vacant land and has limited potential for significant increase in property tax revenue from "qualifying improvements" as allowed by property tax limitation commonly known as Measure 50. The following fiscal year revenues should again exceed expenditures.

Requests for information. This report was modeled after "Management's Discussion and Analysis" prepared by other cities, based on figures furnished by the City's auditor. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator at 525 Portland Avenue, Gladstone, 97027, who may consult with the City's auditor, Merina & Company, LLP.

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

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CITY OF GLADSTONE, OREGON
STATEMENT OF NET ASSETS
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 8,165,139	\$ 1,658,170	\$ 9,823,309
Cash with county treasurer	21,939	-	21,939
Accounts receivable	38,025	419,431	457,456
Property taxes receivable	322,414	-	322,414
Prepays	-	155,575	155,575
Due from other governments	54,392	-	54,392
Miscellaneous	28,607	-	28,607
Total current assets	8,630,516	2,233,176	10,863,692
Noncurrent assets:			
Internal balances	496,984	(496,984)	-
Restricted cash and investments	278,606	272,733	551,339
Assessments receivable	-	6,062	6,062
Bond issue cost	-	43,546	43,546
Interest receivable	-	2,564	2,564
Investment in joint venture	-	3,057,893	3,057,893
Capital assets:			
Non depreciable	6,743,171	640,964	7,384,135
Depreciable, net	6,335,122	6,029,947	12,365,069
Total noncurrent assets	13,853,883	9,556,725	23,410,608
Total assets	22,484,399	11,789,901	34,274,300
LIABILITIES			
Current liabilities:			
Accounts payable	97,420	192,958	290,378
Interest payable	-	40,252	40,252
Accrued compensated absences	234,498	11,691	246,189
Bonds payable - current maturity	-	115,000	115,000
Total current liabilities	331,918	359,901	691,819
Noncurrent liabilities:			
Bonds payable	-	1,935,000	1,935,000
OPEB liability	133,931	15,441	149,372
Total noncurrent liabilities	133,931	1,950,441	2,084,372
Total liabilities	465,849	2,310,342	2,776,191
NET ASSETS			
Invested in capital assets, net of related debt	13,078,293	4,620,911	17,699,204
Restricted for:			
911 system	27,518	-	27,518
Street operations	431,374	-	431,374
Senior center	166,015	-	166,015
Library capital projects	2,029,338	-	2,029,338
System development	-	272,733	272,733
Urban Renewal development	1,975,548	-	1,975,548
Unrestricted	4,310,464	4,585,915	8,896,379
Total net assets	22,018,550	9,479,559	31,498,109
Total liabilities and net assets	\$ 22,484,399	\$ 11,789,901	\$ 34,274,300

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

CITY OF GLADSTONE, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 920,437	\$ -	\$ -	\$ -
Public safety	3,592,482	249,955	6,967	10,115
Highways and streets	623,193	36,154	-	11,325
Urban and renewal	28,361	-	-	-
Culture and recreation	1,404,812	123,286	37,636	121,628
Total governmental activities	6,569,285	409,395	44,603	143,068
Business-type activities:				
Water Fund	742,615	1,071,450	-	-
Sewer Fund	1,407,357	1,479,723	-	-
Total business type activities	2,149,972	2,551,173	-	-
Total government	\$ 8,719,257	\$ 2,960,568	\$ 44,603	\$ 143,068

General revenues:

Taxes:

Property taxes

Public service taxes

Franchise fees

Interest and investment earnings

Gain (loss) in joint venture

Miscellaneous

Transfers in (out)

Total general revenues and transfers

Change in net assets

Net assets - beginning

Prior period adjustment

Net assets - ending

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

Net Expense Revenue and Change in Net Asset		
Governmental Activities	Business Type Activities	Total
\$ (920,437)	\$ -	\$ (920,437)
(3,325,445)	-	(3,325,445)
(575,714)	-	(575,714)
(28,361)	-	(28,361)
(1,122,262)	-	(1,122,262)
(5,972,219)	-	(5,972,219)
-	328,835	328,835
-	72,366	72,366
-	401,201	401,201
(5,972,219)	401,201	(5,571,018)
4,835,387	-	4,835,387
1,447,227	-	1,447,227
514,694	-	514,694
51,499	-	51,499
-	(155,190)	(155,190)
57,754	4,917	62,671
23,270	(23,270)	-
6,929,831	(173,543)	6,756,288
957,612	227,658	1,185,270
21,039,395	9,251,901	30,291,296
21,543	-	21,543
<u>\$ 22,018,550</u>	<u>\$ 9,479,559</u>	<u>\$ 31,498,109</u>

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

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FUND FINANCIAL STATEMENTS
Major Governmental Funds

General Fund

The General Fund accounts for the financial resources of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Primary expenditures are for police protection, fire protection, maintenance of parks, operation of the library and senior center, and general administration.

State Revenue Sharing Fund

The State Revenue Sharing Fund accounts for the receipt and expenditure of revenue sharing funds received from the State of Oregon.

Road and Street Fund

The Road and Street Fund accounts for revenues from state gasoline taxes apportioned from the State of Oregon.

Urban Renewal Agency Fund

The Urban Renewal Agency Fund accounts for property tax revenue received for the rehabilitation of blighted and deteriorated areas within the City's designated urban renewal area.

Library Capital Fund

The Library Capital Fund accounts for the construction of the City's new library. The primary source of funds are debt proceeds or current Urban Renewal funds dedicated to the library design and construction.

CITY OF GLADSTONE, OREGON
 BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2012

	General Fund	State Revenue Sharing Fund	Road and Street Fund
ASSETS			
Cash and investments	\$ 2,421,822	\$ 618,728	\$ 268,420
Restricted cash and investments	166,015	-	112,591
Cash with county treasurer	14,916	-	-
Accounts receivable	-	23,910	-
Property taxes receivable	219,038	-	-
Due from other funds	-	496,984	-
Due from other governments	-	-	54,392
Miscellaneous	28,607	-	-
Total assets	<u>\$ 2,850,398</u>	<u>\$ 1,139,622</u>	<u>\$ 435,403</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 93,182	\$ -	\$ 4,029
Deferred revenue	202,795	-	-
Total liabilities	<u>295,977</u>	<u>-</u>	<u>4,029</u>
FUND BALANCES:			
Restricted			
911 system	-	-	-
Street operations	-	-	431,374
Senior center	166,015	-	-
Library capital projects	-	-	-
Urban Renewal development	-	-	-
Assigned:			
Capital projects	-	1,139,622	-
Police services	-	-	-
Fire and emergency services	-	-	-
Unassigned	2,388,406	-	-
Total fund balance	<u>2,554,421</u>	<u>1,139,622</u>	<u>431,374</u>
Total liabilities and fund balance	<u>\$ 2,850,398</u>	<u>\$ 1,139,622</u>	<u>\$ 435,403</u>

Amounts reported in the statement of net assets are different because:

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

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds

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

Net assets of governmental activities

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

Urban Renewal Agency Fund	Library Capital Fund	Other Governmental	Total Governmental
\$ 1,967,723	\$ 2,029,338	\$ 859,108	\$ 8,165,139
-	-	-	278,606
3,749	-	3,274	21,939
-	-	14,115	38,025
55,170	-	48,206	322,414
-	-	-	496,984
-	-	-	54,392
-	-	-	28,607
<u>\$ 2,026,642</u>	<u>\$ 2,029,338</u>	<u>\$ 924,703</u>	<u>\$ 9,406,106</u>
\$ -	\$ -	\$ 209	\$ 97,420
51,094	-	44,640	298,529
<u>51,094</u>	<u>-</u>	<u>44,849</u>	<u>395,949</u>
-	-	27,518	27,518
-	-	-	431,374
-	-	-	166,015
1,975,548	2,029,338	-	2,029,338
-	-	-	1,975,548
-	-	-	1,139,622
-	-	405,215	405,215
-	-	447,121	447,121
-	-	-	2,388,406
<u>1,975,548</u>	<u>2,029,338</u>	<u>879,854</u>	<u>9,010,157</u>
<u>\$ 2,026,642</u>	<u>\$ 2,029,338</u>	<u>\$ 924,703</u>	

13,078,293

298,529

(368,429)

\$ 22,018,550

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

CITY OF GLADSTONE, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2012

	General Fund	State Revenue Sharing Fund	Road and Street Fund
REVENUES:			
Property taxes	\$ 3,253,232	\$ -	\$ -
Public service taxes	668,667	96,742	626,123
Franchise taxes	514,694	-	-
Grants	140,260	-	11,325
Charges for services	123,286	-	36,154
Licenses and permits	22,683	-	-
Fines and forfeitures	227,272	-	-
Contributions and donations	34,336	-	-
Interest	23,046	2,885	-
Miscellaneous	55,086	-	2,668
Total revenues	5,062,562	99,627	676,270
EXPENDITURES:			
Current:			
General government	897,406	-	-
Public safety	2,484,062	-	-
Highways and streets	-	-	404,451
Urban and renewal	-	-	-
Culture and recreation	1,189,424	-	-
Capital outlay	183,275	2,213	95,030
Total expenditures	4,754,167	2,213	499,481
Revenues over (under) expenditur	308,395	97,414	176,789
OTHER FINANCING SOURCES (USES):			
Transfers in	94,246	-	-
Transfers out	-	-	(53,696)
Total other financing sources (use)	94,246	-	(53,696)
Net changes in fund balances	402,641	97,414	123,093
FUND BALANCES, BEGINNING	2,151,780	1,020,665	308,281
Prior Period Adjustment	-	21,543	-
FUND BALANCES, ENDING	\$ 2,554,421	\$ 1,139,622	\$ 431,374

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

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Urban Renewal Agency Fund	Library Capital Fund	Other Governmental	Total Governmental
\$ 821,591	\$ -	\$ 714,125	\$ 4,788,948
-	-	55,695	1,447,227
-	-	-	514,694
-	-	-	151,585
-	-	-	159,440
-	-	-	22,683
-	-	-	227,272
-	550	1,200	36,086
8,482	12,183	4,903	51,499
-	-	-	57,754
<u>830,073</u>	<u>12,733</u>	<u>775,923</u>	<u>7,457,188</u>
-	-	-	897,406
-	-	616,045	3,100,107
-	-	-	404,451
28,202	-	-	28,202
-	-	-	1,189,424
<u>107,776</u>	<u>470,075</u>	<u>299,177</u>	<u>1,157,546</u>
<u>135,978</u>	<u>470,075</u>	<u>915,222</u>	<u>6,777,136</u>
694,095	(457,342)	(139,299)	680,052
-	-	-	94,246
-	-	(17,280)	(70,976)
-	-	(17,280)	23,270
694,095	(457,342)	(156,579)	703,322
1,281,453	2,486,680	1,036,433	8,285,292
-	-	-	21,543
<u>\$ 1,975,548</u>	<u>\$ 2,029,338</u>	<u>\$ 879,854</u>	<u>\$ 9,010,157</u>

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

CITY OF GLADSTONE, OREGON
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2012

Amounts reported in the statement of activities are different because:

Net change in fund balances	\$ 703,322
The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	239,568
Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.	46,439
Accrued compensated absences and OPEB obligations are not due and payable in the current period and therefore are not reported in the funds.	<u>(31,717)</u>
Change in net assets of governmental activities	<u><u>\$ 957,612</u></u>

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

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FUND FINANCIAL STATEMENTS

Proprietary Funds

Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges.

Water Fund

The Water Fund accounts for the City's water utility operations.

Sewer Fund

The Sewer Fund accounts for the City's sewer utility operations.

CITY OF GLADSTONE, OREGON
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2012

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Cash and investments	\$ 717,915	\$ 940,255	\$ 1,658,170
Trade accounts receivable	180,355	239,076	419,431
Prepays	155,575	-	155,575
Total current assets	1,053,845	1,179,331	2,233,176
Noncurrent assets:			
Assessments receivable	-	6,062	6,062
Interest receivable	-	2,564	2,564
Restricted cash	128,875	143,858	272,733
Due from other funds	-	150,000	150,000
Bond issue cost	43,546	-	43,546
Investment in joint venture	3,057,893	-	3,057,893
Capital assets:			
Non-depreciable	129,414	511,550	640,964
Depreciable	3,981,646	2,048,301	6,029,947
Total noncurrent assets	7,341,374	2,862,335	10,203,709
Total assets	\$ 8,395,219	\$ 4,041,666	\$ 12,436,885
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts payable	\$ 29,206	\$ 163,752	\$ 192,958
Interest payable	40,252	-	40,252
Accrued compensated absences	5,309	6,382	11,691
Bonds payable - current maturity	115,000	-	115,000
Bonds payable	1,935,000	-	1,935,000
Due to other funds	646,984	-	646,984
OPEB liability	7,454	7,987	15,441
Total liabilities	2,779,205	178,121	2,957,326
NET ASSETS:			
Invested in capital assets, net of related debt	2,061,060	2,559,851	4,620,911
Restricted for:			
System development	128,875	143,858	272,733
Unrestricted	3,426,079	1,159,836	4,585,915
Total net assets	5,616,014	3,863,545	9,479,559
Total liabilities and net assets	\$ 8,395,219	\$ 4,041,666	\$ 12,436,885

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

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**CITY OF GLADSTONE, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET ASSETS
 For the Fiscal Year Ended June 30, 2012**

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES:			
Service charges	\$ 1,049,279	\$ 1,466,225	\$ 2,515,504
Connection and installation fees	5,344	11,202	16,546
System development charge	16,827	2,296	19,123
Miscellaneous	2,497	2,420	4,917
Total operating revenues	1,073,947	1,482,143	2,556,090
OPERATING EXPENSES:			
Purchases	226,204	959,599	1,185,803
Salaries and fringe benefits	240,224	224,211	464,435
Maintenance and repairs	18,254	138,226	156,480
Utilities	8,414	414	8,828
Depreciation and amortization	147,716	81,944	229,660
Net OPEB obligation	2,034	2,963	4,997
Miscellaneous	17,304	-	17,304
Total operating expenses	660,150	1,407,357	2,067,507
Operating income (loss)	413,797	74,786	488,583
NON-OPERATING INCOME (EXPENSE):			
Interest expense	(82,465)	-	(82,465)
Gain (loss) in joint venture	(155,190)	-	(155,190)
Total non-operating income (expenses)	(237,655)	-	(237,655)
Net income (loss) before operating transfers	176,142	74,786	250,928
TRANSFERS:			
Transfers in (out)	-	(23,270)	(23,270)
Change in net assets	176,142	51,516	227,658
NET ASSETS, BEGINNING	<u>5,439,872</u>	<u>3,812,029</u>	<u>9,251,901</u>
NET ASSETS, ENDING	<u>\$ 5,616,014</u>	<u>\$ 3,863,545</u>	<u>\$ 9,479,559</u>

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

CITY OF GLADSTONE, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,063,160	\$ 1,467,844	\$ 2,531,004
Cash paid to employees and others for salaries and benefits	(237,472)	(220,180)	(457,652)
Cash paid to suppliers and others	(277,496)	(1,101,704)	(1,379,200)
Net cash provided (used) by operating activities	548,192	145,960	694,152
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers in (out)	-	(23,270)	(23,270)
Net cash provided (used) by non-capital financing activities	-	(23,270)	(23,270)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(159,271)	(57,408)	(216,679)
Principal paid on capital debt	(100,000)	-	(100,000)
Interest paid on capital debt	(84,340)	-	(84,340)
Net cash provided (used) by capital and related financing activities	(343,611)	(57,408)	(401,019)
Net increase in cash and cash equivalents	204,581	65,282	269,863
CASH AND CASH EQUIVALENTS, BEGINNING	642,209	1,018,831	1,661,040
CASH AND CASH EQUIVALENTS, ENDING	\$ 846,790	\$ 1,084,113	\$ 1,930,903
COMPRISED AS FOLLOWS:			
Unrestricted	\$ 717,915	\$ 940,255	\$ 1,658,170
Restricted	128,875	143,858	272,733
Total	\$ 846,790	\$ 1,084,113	\$ 1,930,903

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

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	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income	\$ 413,797	\$ 74,786	\$ 488,583
Adjustments			
Depreciation and amortization	147,716	81,944	229,660
Decrease (increase) in:			
Accounts receivable	(10,787)	(14,299)	(25,086)
Prepays	(10,859)	-	(10,859)
Increase (decrease) in:			
Accounts payable and accrued expenses	5,573	(502)	5,071
Accrued compensated absences	718	1,068	1,786
OPEB obligation	2,034	2,963	4,997
Net cash provided (used) by operating activities:	<u>\$ 548,192</u>	<u>\$ 145,960</u>	<u>\$ 694,152</u>

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

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FUND FINANCIAL STATEMENTS

Fiduciary Funds

These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results

Agency Funds

Municipal Court Fund

The Municipal Court Fund accounts for resources received and held by the City in a fiduciary capacity.

Library Board Trust Fund

The Library Board Trust Fund accounts for resources received and held by the City in a fiduciary capacity.

CITY OF GLADSTONE, OREGON
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS:</u>	
Cash and investments	\$ 25,276
Total assets	<u>\$ 25,276</u>
<u>LIABILITIES:</u>	
Other current liabilities	\$ 25,276
Total liabilities	<u>\$ 25,276</u>
<u>NET ASSETS:</u>	
Total liabilities and net assets	<u>\$ 25,276</u>

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

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

1. Summary of Significant Accounting Policies

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to government units. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant accounting policies of the City are described below.

A. Description of Reporting Entity

The City was incorporated in 1911. The City operates under the voter-approved City of Gladstone, Oregon charter of 1984. Under the charter, the City is governed by an elected mayor and six council members who comprise the City Council.

The City is a municipal corporation governed by an elected mayor and six-member council. As required by GAAP, these financial statements present the government and its component unit (Gladstone Urban Renewal Agency), entities for which the government is considered to be financially accountable.

Gladstone Urban Renewal Agency

The Agency was formed to plan, direct, and manage certain projects within Gladstone. Pursuant to ORS 457.055, the City Council has been appointed governing body of the Agency. The Urban Renewal Agency Fund is reported as governmental fund types.

Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The Gladstone Urban Renewal Agency has a June 30 year-end. The Gladstone Urban Renewal Agency is governed by the City Council of The City of Gladstone. Complete financial statements for the Agency may be obtained at the City of Gladstone – City Hall, 525 Portland Avenue, Gladstone, Oregon 97027.

The Gladstone Senior Center Advisory Board and Gladstone Library Board (an unorganized group supporting the library) have been excluded as not material in relation to the City of Gladstone and accordingly, have not been included in the City of Gladstone financial report. Only those revenues and expenditures directly processed by the City of Gladstone finance department are included in the financial statements.

The City is a ten percent partner with the Sunrise Water Authority and the Oak Lodge Water District in the North Clackamas County Water Commission, a joint venture. The purpose of this joint venture is to operate, maintain, and enhance a regional water supply system with water rights from the Clackamas River and to cooperatively conduct water resource planning (see Note 6).

B. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

Government-wide statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include all the financial activities of the City, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, and fiduciary, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements and are detailed in the supplemental information.

C. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The new GASB 34 model sets forth minimum criteria (percentage of the assets liabilities, revenues or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

- *General Fund*
- *State Revenue Sharing Fund*
- *Road and Street Fund*
- *Urban Renewal Agency Fund*
- *Library Capital Fund*

Additionally, the City reports the following non-major governmental funds within the governmental fund type:

- *Special Revenue Funds*

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

These funds account for revenues derived from specific taxes or other earmarked revenue sources, including state gas tax and state revenue sharing entitlements, which are legally restricted to expenditures for specified purposes.

The City reports each of its two proprietary funds as major funds. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. The City reports the following proprietary funds:

- *Water Fund*
- *Sewer Fund*

Fiduciary Funds reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's only fiduciary funds are agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City reports the following fiduciary funds:

- *Municipal Court Fund*
- *Library Board Trust Fund*

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The government-wide financial statements and the Proprietary Funds Financial Statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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, long-term compensated absences are recorded only when payment is due.

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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

A deferred revenue liability arises in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable deferred revenue consists primarily of uncollected property taxes and assessments not deemed available to financial operation of the current period. In the government-wide Statement of Net Assets, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the Governmental Fund Balance Sheet for unavailable deferred revenue is eliminated. Note that deferred revenues also arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures only to the extent that they are expended to be liquidated with expendable financial resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements. 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 non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's Water and Sewer Funds are charges to customers for sales and services. The Water and Sewer Funds also recognize fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and overheads, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The proprietary financial statements have incorporated all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. No FASB statements and interpretations issued after November 30, 1989 have been applied.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the City considers cash equivalents as all highly liquid debt instruments purchased with maturity of three months or less.

Investments included in cash and cash equivalents are reported at fair value. The City invests in the State of Oregon Local Government Investment Pool, which is authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated based on a fund's portion of the total investment balance. The City maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

F. Investments

Investments are stated at share value, which approximates fair value.

G. Restricted Cash and Investments

Assets whose use is restricted to specific purposes by state statute are segregated on the balance sheet.

H. Fund Equity

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

Non-Spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

Committed – Includes items committed by the City Council, by formal council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes items assigned for specific uses, authorized by the City. Assignments of fund balance can be done at any time, including after the fiscal year end date. In accordance with the City's adopted fund policy, amounts may be assigned by the City Administrator.

Unassigned – This is the residual classification used for those balances not assigned to another category.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

I. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

J. Receivables and Payables

Property taxes receivable in the Governmental Fund Types, which have been collected within sixty days following year end, are considered measurable and available and are recognized as revenues in Governmental Funds. All other property taxes receivable for the Governmental Fund Types are offset by deferred revenues and, accordingly, have not been recorded as revenue. Property taxes become a lien against the property as of July 1 each year and are payable in three installments on November 15; February 15 and May 15 following the lien date. All property taxes receivable are due from property owners within the City.

Activity between funds that represent 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". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Receivables of the proprietary funds are recognized as revenue when earned, including services provided but not billed. Management believes that any uncollectible accounts included in the governmental fund receivable balances are not significant, and therefore no provision for uncollectible accounts has been made. Receivables in proprietary funds are stated net of an allowance for uncollectible accounts

K. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, street lights, etc.), are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost, or estimated historical cost if actual cost. Donated fixed assets are recorded at their estimated fair market value at the time received.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest costs were capitalized during the year ended June 30, 2012.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

- *Building and improvements - 50 years*
- *Supply and distribution systems (including utility plant infrastructure) - 50 years*
- *Machinery and equipment - 5-10 years*

L. Investments Accounted For By The Equity Method

The City's investment in the North Clackamas County Water Commission is accounted for under the equity method, as prescribed by GASB 14 for joint ventures. Under the equity method, the investment in an equity investee is increased or decreased by the investor's equity in the increase or decrease in the net assets of the investee. Profit on operating transactions between the investor and investee is eliminated in the calculation of this equity interest. Non-operating transactions increase or decrease the investment in the equity investee.

M. Compensated Absences

Accumulated vested vacation pay is accrued as it is earned. For governmental funds, accumulated vested vacation pay is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Sick pay, which does not vest, is recorded in all funds when leave is taken.

Funds used to liquidate accrued compensated absences included the General Fund, Road and Street Fund, Police Communications Special Levy Fund, Fire and Emergency Services Special Levy Fund, Water Fund, and Sewer Fund.

N. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financial uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financial sources while discounts on debt proceeds received are reported as debt service expenditures.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

O. Deferred Revenue

Deferred revenues represent uncollected property taxes and other revenues not deemed available to finance operations of the current period.

P. Net Assets

In the government-wide financial statements and proprietary funds financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt represents capital assets less accumulated depreciation less outstanding principal of related debt. Net assets invested in capital assets, net of related debt does not include the unspent proceeds of capital debt. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net assets are temporarily restricted (ultimately expendable) assets. All other net assets are considered unrestricted.

Q. Accounting Estimates

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

2. Cash and Investments

At June 30, 2012 investments of the City and its component unit consist of the following:

	Weighted Average Maturity (Years)	Fair Value
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 10,207,162
Municipal bond	15.80	30,174
Portfolio weighted average maturity	0.05	\$ 10,237,336

A. Interest rate risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

B. Credit risk

State statutes authorize the City to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Oregon Local Government Investment Pool, among others. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Pool is not registered with the SEC as an investment company and is unrated. The City also invests in U.S. government obligations and agency obligation and commercial paper with a Standard & Poor's rating of A or better.

C. Concentration of credit risk

The City does not currently have an investment policy for concentration of credit risk.

D. Custodial credit risk – deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the combined total of all savings deposits and unlimited coverage for non-interest bearing transaction accounts. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2012, none of the City's bank balances were exposed to credit risk.

E. Custodial credit risk – investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2012, the City had no investments exposed to custodial credit risk.

F. Restricted Deposits

Restricted cash and investments represent system development charges and transportation impact fees collected by the City which can be expended only for capital improvement projects and a bequest to the Senior Center which can only be expended for Senior Center projects.

3. Assessment Liens Receivable

Assessment liens receivable represent the uncollected amounts levied against benefited property for the cost of local improvements. Because the assessments are liens against the benefited property, an allowance for uncollectible amounts is not deemed necessary.

4. Interfund Loans Receivable, Payable, and Transfers

Interfund loans made to the Water Fund relate to water improvement projects. These loans are not expected to be paid in the subsequent year. Loans receivable/payable to other funds include:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer Fund	Water Fund	\$ 150,000
State Revenue Sharing Fund	Water Fund	496,984
Total		<u>\$ 646,984</u>

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

Transfers between funds during the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General Fund	\$ 94,246	\$ -
Road & Street Fund	-	53,696
Total Major Governmental Funds	<u>94,246</u>	<u>53,696</u>
Non-major Governmental Funds		
Police / Comm. Levy Fund	-	12,166
Fire / Emergency Services Fund	-	5,114
Total Non-major Governmental Funds	<u>-</u>	<u>17,280</u>
Proprietary Funds		
Sewer Fund	-	23,270
Total Proprietary Funds	<u>-</u>	<u>23,270</u>
Total All Funds	<u>\$ 94,246</u>	<u>\$ 94,246</u>

The Police and Communications Special Levy Fund, Fire and Emergency Services Special Levy Fund, Sewer Fund, and the Road and Street Fund transferred \$94,246 to the General Fund to cover general operating and administrative expenses.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

5. Capital Assets

Capital asset activity for the year ended June 30, 2012 is as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, non-depreciable:				
Land	\$ 5,519,830	\$ -	\$ -	\$ 5,519,830
Construction in Progress	764,671	458,670	-	1,223,341
Total capital assets, non-deprec	<u>6,284,501</u>	<u>458,670</u>	<u>-</u>	<u>6,743,171</u>
Capital assets, depreciable:				
Intangible Assets	-	17,475	-	17,475
Buildings, structures and improve	3,540,665	37,127	-	3,577,792
Equipment	1,195,639	42,377	-	1,238,016
Vehicles	2,465,780	160,067	(112,003)	2,513,844
Infrastructure	3,750,461	-	-	3,750,461
Total capital assets, depreciable	<u>10,952,545</u>	<u>257,046</u>	<u>(112,003)</u>	<u>11,097,588</u>
Total assets	17,237,046	715,716	(112,003)	17,840,759
Less accum depreciation for:				
Intangible Assets	-	(437)	-	(437)
Buildings, structures and improve	(1,284,278)	(85,864)	-	(1,370,142)
Equipment	(1,048,095)	(58,497)	-	(1,106,592)
Vehicles	(1,709,588)	(218,136)	103,204	(1,824,520)
Infrastructure	(356,360)	(104,415)	-	(460,775)
Total accumulated depreciation	<u>(4,398,321)</u>	<u>(467,349)</u>	<u>103,204</u>	<u>(4,762,466)</u>
Net depreciable capital assets	<u>6,554,224</u>	<u>(210,303)</u>	<u>(8,799)</u>	<u>6,335,122</u>
Net capital assets	<u>\$ 12,838,725</u>	<u>\$ 248,367</u>	<u>\$ (8,799)</u>	<u>\$ 13,078,293</u>

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

Governmental activities:	
General government	17,966
Public safety	249,563
Roads and Highways	126,333
Culture and recreations	73,487
Total depreciation expense - gov't activities	<u>467,349</u>

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

Business-type activities Totals	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, non-depreciable:				
Land	\$ 640,964	\$ -	\$ -	\$ 640,964
Investment in Joint Venture	3,213,083	-	(155,190)	3,057,893
Total capital assets, non-depreciable	<u>3,854,047</u>	<u>-</u>	<u>(155,190)</u>	<u>3,698,857</u>
Capital assets, depreciable:				
Buildings	299,113	-	-	299,113
Equipment	155,650	-	-	155,650
Vehicles	125,991	-	-	125,991
Infrastructure	10,293,464	216,679	-	10,510,143
Total capital assets, depreciable	<u>10,874,218</u>	<u>216,679</u>	<u>-</u>	<u>11,090,897</u>
Total	14,728,265	216,679	(155,190)	14,789,754
Less accumulated depreciation for:				
Buildings	(277,432)	(2,216)	-	(279,648)
Equipment	(100,587)	(18,287)	-	(118,874)
Vehicles	(105,990)	(3,311)	-	(109,301)
Infrastructure	(4,350,616)	(202,511)	-	(4,553,127)
Total accumulated depreciation	<u>(4,834,625)</u>	<u>(226,325)</u>	<u>-</u>	<u>(5,060,950)</u>
Net depreciable capital assets	<u>6,039,593</u>	<u>(9,646)</u>	<u>-</u>	<u>6,029,947</u>
Net capital assets	<u>\$9,893,640</u>	<u>\$ (9,646)</u>	<u>\$ (155,190)</u>	<u>\$9,728,804</u>
Business-type activities:				
Water			\$ (144,381)	
Sewer			(81,944)	
Total depreciation expense - business-type activities			<u>\$ (226,325)</u>	

6. Joint Venture

The City is a member of a joint venture known as the North Clackamas County Water Commission, in which the City has a ten percent interest and the Sunrise Water Authority and the Oak Lodge Water District have forty-eight and forty-two percent interests, respectively. The joint venture was created in 1998 by the First Intergovernmental Agreement between the Damascus and Mt. Scott Water Districts (which became the Sunrise Water Authority) and the Oak Lodge Water District to plan, construct, and operate a regional water supply system with water rights from the Clackamas River; to operate, maintain, and facilities for the production of potable water from the headworks on the Clackamas River, and to cooperatively conduct water resource planning and management. The Second Intergovernmental Agreement between Sunrise Water Authority and Oak Lodge Water District in 2004

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

provided for the expansion of the water treatment works operated by the Commission to handle the full capacity of the intake at the headworks on the Clackamas River.

The City of Gladstone became a partner in the joint venture through the First Addendum to the Second Intergovernmental Agreement, paying \$2,609,118, transferring rights to 8,900,000 gallons per day of Clackamas River Water, and supporting the substitution of the North Clackamas County Water Commission for the City as a member of the Willamette Water Resources Commission to acquire ten percent interest in the assets and liabilities of the North Clackamas County Water Commission and an allocation of 2,500,000 gallons per day of treated water from the Commission's water treatment facility. The Addendum also requires each of the parties to allow the other parties to the agreement access to use of their facilities to the extent that they are not needed for service of the party's own customers. Fees for such usage are determined on a cost basis.

The Addendum to the second intergovernmental agreement reconstituted the Board of Commissioners for the North Clackamas County Water Commission. The Board of Commissioners consists of seven members: the Boards of Commissioners for Sunrise Water Authority and Oak Lodge Water District will select three commissioners each, and the Gladstone City Council will select one commissioner. The commissioners are required to be voting members of the governing body, council, or board of commissioners of the party making the selection. The commissioners will select a Chair from among their members to serve a term of one year, beginning July 1 of each year. The position of Chair will rotate each year to represent each party. The commissioners will also select a Vice Chair to serve in the absence of the Chair. Each commissioner will have one vote. Five commissioners must be present to meet requirements for a quorum, and five affirmative votes will be required for adoption of any measure, ordinance, or resolution.

The City's net equity in the joint venture as of June 30, 2012 was \$3,057,893. This interest is reported in the Water Fund and in the business-type activities column of the government-wide Statement of Net Assets as investment in joint ventures. Separate financial statements for the North Clackamas County Water Commission can be obtained from the Commission at 14496 SE River Road, Milwaukie, Oregon 97267.

7. Deferred Revenue

Deferred revenue as of June 30, 2012 consists of the following:

	General Fund	Fire & Emergency Services Special Levy Fund	Police & Communications Special Levy Fund	Urban Renewal Fund	Total
Property taxes	\$ 202,795	\$ 14,310	\$ 30,330	\$ 51,094	\$ 298,529

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

8. Long Term Debt

A. Changes in General Long-Term Liabilities

During the year ended June 30, 2012, long-term liability activity was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities					
Compensated absences:	\$ 240,185	\$ -	\$ (5,687)	\$ 234,498	\$ 234,498
Governmental activities					
Long-term liabilities	<u>\$ 240,185</u>	<u>\$ -</u>	<u>\$ (5,687)</u>	<u>\$ 234,498</u>	<u>\$ 234,498</u>
Business-type Activities					
Bonds	\$ 2,150,000	\$ -	\$ (100,000)	\$ 2,050,000	\$ 115,000
Compensated absences:	<u>9,905</u>	<u>1,786</u>	<u>-</u>	<u>11,691</u>	<u>11,691</u>
Business-type activities					
Long-term liabilities	<u>\$ 2,159,905</u>	<u>\$ 1,786</u>	<u>\$ (100,000)</u>	<u>\$ 2,061,691</u>	<u>\$ 126,691</u>

For governmental activities, compensated absences are liquidated by the general fund.

B. Bonds Payable

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital improvements. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Business Activities

During 2005-2006, the City issued \$2,650,000 in general obligations bonds to finance the purchase of a portion of a water treatment plant and for capital improvements to the City's water system. The bonds carry interest rates varying from 3.00% to 4.00%. Interest is payable semiannually on January 1 and July 1 of each year. Bond principal is payable annually through July 2025.

Total bonds payable

\$ 2,050,000

\$ 2,050,000

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Business-type Activities			
	Interest Rates	Principal	Interest	Total
2013	3.750 %	115,000	78,347	193,347
2014	4.000 %	120,000	73,941	193,941
2015	4.000 %	120,000	69,290	189,290
2016	3.700 %	125,000	64,579	189,579
2017	3.700 %	130,000	59,861	189,861
2018-2022	3.800 - 4.125 %	735,000	220,438	955,438
2023-2027	4.125 - 4.000 %	705,000	57,803	762,803
Total		<u>\$ 2,050,000</u>	<u>\$ 624,259</u>	<u>\$ 2,674,259</u>

9. Pension Plan

A. Plan Description

The City contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the City's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying City employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

B. Funding Policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program; this is paid by the City. The City is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF rate for the year ended June 30, 2012 was 12.84% and the annual pension cost was \$419,507.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

The OPSRP rates in effect for the year ended June 30, 2012 was 7.02% for general employees and 9.73% for police and fire employees. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

C. Annual Pension Cost

Contribution information for the years ended June 30, 2012, 2011 and 2010 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/10	314,449	100%	-
6/30/11	341,456	100%	-
6/30/12	419,507	100%	-

10. Post Employment Benefits Other than Pensions

A. Plan Description

The City does not have a formal post-employment benefits plan for its employees; however, the City will allow retirees to continue health insurance coverage for themselves and their qualified dependents at the same rates as active employees, until they become eligible for Medicare, as required by ORS 243.303. Retirees' electing to remain on the City's sponsored health care plan pay the entire premium to maintain coverage. Although the City does not pay any portion of the retiree premium there is an implicit subsidy with respect to the retired employee as the medical premium rates charged are less than would they would be if the retiree were in a separately rated health care plan.

B. Funding Policy

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The current monthly health care premium for plan members at June 30, 2012 is:

	<u>Regence</u>	<u>Kaiser</u>
Employee	\$ 442	\$ 508
Employee + child	910	1,033
Employee + spouse	910	1,033
Employee + family	1,252	1,456

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) determined by the actuary. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

The annual OPEB cost and net OPEB obligation at June 30, 2012 is as follows:

	2012
Annual Required Contribution (ARC)	\$ 82,227
Interest on Net OPEB Obligation	4,279
Adjustment to ARC	(4,074)
Annual OPEB cost	82,432
Contributions made	(40,031)
Increase in Net OPEB Obligation	42,401
Net OPEB Obligation – beginning of year	106,971
Net OPEB Obligation – end of year	<u>\$149,372</u>

The annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
6/30/2012	\$ 82,432	49%	\$ 149,372
6/30/2011	\$ 79,622	36%	\$ 106,971
6/30/2010	\$ 76,759	27%	\$ 56,009

D. Funding Status

The funded status of the plan at June 30, 2012, based on the July 1, 2009 actuarial valuation is as follows:

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
7/1/2009	\$ -	\$699,333	\$699,333	0.00%	\$2,937,298	24%

E. Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about the future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on types of benefits provided at the time of valuation and the pattern of cost-sharing between the employer and plan members to that point. Actuarial calculations reflect a long-term prospective, including techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

In the July 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an accrued liability discount rate of 4.0%, projected salary increases of 3.5%, and a healthcare cost trend rate of 10% for 2010, grading down over ten years to 5%. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized over an open period of 30 years as a level percentage of payroll.

F. Retirement Health Insurance Account (RHIA)

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

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% of annual overall payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represent a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the years ended June 30, 2012 equaled the required contributions.

11. Agreements with Service Districts

The City has agreements with certain service districts to collect and process City sewage. General terms of these agreements are as follows:

- The City will process and review all permit applications for hookup and inspection thereof; operate and maintain local collection facilities; bill and collect use charges and bill and collect connection charges.
- The City will collect and remit all connections charges to the service districts, except for a portion to reimburse administrative costs.
- The City or the service districts may terminate the agreements upon 30 to 180 days notice.

Payments of \$959,597 were made to the service districts during fiscal year 2012 under these agreements.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

12. Risk Management

The City is exposed to various risks of loss related to torts; theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. Except for unemployment compensation, the City purchases commercial insurance to minimize its exposure to these risks. There has been no reduction in commercial insurance coverage from fiscal year 2011 to 2012. Workers compensation claims are insured through incurred loss retrospective policies. Settled claims have not exceeded this commercial coverage for any of the past three years.

13. Contingency

Management of the City believes that total amount of liability, if any, which may arise from claims and lawsuits pending against the City beyond which is covered by insurance, would not have a material effect on the City's financial condition.

14. Prior Period Adjustment

During the year, it was discovered that revenue in the State Revenue Sharing Fund was under-stated due to an error. A prior period adjustment of \$21,543 was recorded to correct this error and increase net assets.

15. Subsequent Event

In 2011, the City received a \$2.5 million capital contribution from Clackamas County for library planning and construction. On November 2012, the ballot measure to incur debt to build a new library was defeated and all library planning activities ceased. In December 2012, the County requested the City return the \$1.5 million of the contribution paid by the County. These funds are included in the Library Capital Fund and are reserved. The City has requested an extension of time for the return of the monies in order to determine if another option might exist. That option could allow the City to retain the \$1.5 million and provide library service as outlined in the intergovernmental agreement.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

- Budgetary Comparison Schedules
 - General Fund
 - State Revenue Sharing Fund
 - Road and Street Fund
 - Urban Renewal Agency Fund

CITY OF GLADSTONE, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 2,984,356	\$ 2,984,356	\$ 3,253,232	\$ 268,876
Public service taxes	675,000	675,000	668,667	(6,333)
Franchise taxes	499,360	499,360	514,694	15,334
Grants	292,040	292,040	140,260	(151,780)
Charges for services	60,900	60,900	123,286	62,386
Licenses and permits	19,300	19,300	22,683	3,383
Fines and forfeitures	210,000	210,000	227,272	17,272
Contributions and donations	34,940	34,940	34,336	(604)
Interest	20,000	20,000	23,046	3,046
Miscellaneous	62,000	62,000	55,086	(6,914)
Total revenues	4,857,896	4,857,896	5,062,562	204,666
EXPENDITURES:				
General government	1,046,789	1,046,789	897,406	149,383
Public safety	2,934,724	2,934,724	2,484,062	450,662
Cultural and recreation	1,252,154	1,352,154	1,189,424	162,730
Capital outlay	1,132,841	1,132,841	183,275	949,566
Contingency	331,024	231,024	-	231,024
Total expenditures	6,697,532	6,697,532	4,754,167	1,943,365
Revenues over (under) expenditures	(1,839,636)	(1,839,636)	308,395	2,148,031
OTHER FINANCING SOURCES (USES):				
Transfers in	109,246	109,246	94,246	(15,000)
Total other financing sources (uses)	109,246	109,246	94,246	(15,000)
Net changes in fund balances	(1,730,390)	(1,730,390)	402,641	2,133,031
FUND BALANCE, BEGINNING	2,130,390	2,130,390	2,151,780	21,390
FUND BALANCE, ENDING	\$ 400,000	\$ 400,000	\$ 2,554,421	\$ 2,154,421

CITY OF GLADSTONE, OREGON
STATE REVENUE SHARING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Grants	\$ 93,436	\$ 93,436	\$ 96,742	\$ 3,306
Interest	1,500	1,500	2,885	1,385
Total revenues	94,936	94,936	99,627	4,691
EXPENDITURES:				
Capital outlay	601,979	601,979	2,213	599,766
Total expenditures	601,979	601,979	2,213	599,766
Revenues over (under) expenditures	(507,043)	(507,043)	97,414	604,457
FUND BALANCE, BEGINNING BUDGETARY BASIS	507,043	507,043	523,681	16,638
PRIOR PERIOD ADJUSTMENT	-	-	21,543	21,543
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	642,638	\$ 642,638
Interfund loan and interest receivable			496,984	
FUND BALANCES, ENDING			<u>\$ 1,139,622</u>	

CITY OF GLADSTONE, OREGON
ROAD AND STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Public service taxes	\$ 530,200	\$ 530,200	\$ 626,123	\$ 95,923
Grants	-	-	11,325	11,325
Charges for services	5,000	5,000	36,154	31,154
Miscellaneous	500	500	2,668	2,168
Total revenues	535,700	535,700	676,270	140,570
EXPENDITURES:				
Personal service	164,329	189,329	174,616	14,713
Materials and service	207,575	277,575	229,835	47,740
Capital outlay	311,462	216,462	95,030	121,432
Total expenditures	683,366	683,366	499,481	183,885
Revenues over (under) expenditures	(147,666)	(147,666)	176,789	324,455
OTHER FINANCING SOURCES (USES):				
Transfers out	(53,696)	(53,696)	(53,696)	-
Total other financing sources (uses)	(53,696)	(53,696)	(53,696)	-
Net changes in fund balances	(201,362)	(201,362)	123,093	324,455
FUND BALANCES, BEGINNING	201,362	201,362	308,281	106,919
FUND BALANCES, ENDING	\$ -	\$ -	\$ 431,374	\$ 431,374

CITY OF GLADSTONE, OREGON
 URBAN RENEWAL AGENCY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 792,975	\$ 792,975	\$ 821,591	\$ 28,616
Interest	4,000	4,000	8,482	4,482
Total revenues	796,975	796,975	830,073	33,098
EXPENDITURES:				
Materials and service	60,000	60,000	28,202	31,798
Capital outlay	1,222,746	1,222,746	107,776	1,114,970
Debt service:				
Principal	350,000	350,000	-	350,000
Interest	400,000	400,000	-	400,000
Total expenditures	2,032,746	2,032,746	135,978	1,896,768
Revenues over (under) expenditures	(1,235,771)	(1,235,771)	694,095	1,929,866
OTHER FINANCING SOURCES (USES):				
Issuance of debt	7,500,000	7,500,000	-	(7,500,000)
Transfers out	(7,500,000)	(7,500,000)	-	7,500,000
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(1,235,771)	(1,235,771)	694,095	1,929,866
FUND BALANCES, BEGINNING	1,235,771	1,235,771	1,281,453	45,682
FUND BALANCES, ENDING	\$ -	\$ -	\$ 1,975,548	\$ 1,975,548

CITY OF GLADSTONE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2012

1. Stewardship, Compliance, and Accountability

A. Budgetary Information

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds, except the Fiduciary Funds, as required by Oregon Local Budget Law. The basis of budgeting for all major funds is the same as GAAP.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund. Expenditure categories of personal services, materials and services, capital outlay, debt service transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. The City had appropriation transfers during the year ended June 30, 2012. Appropriations lapse as of year-end.

OTHER SUPPLEMENTARY INFORMATION

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OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional

Such statements and schedules include:

- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules
 - General Fund
 - Capital Project Fund
 - Nonmajor Governmental Funds
 - Enterprise Funds
- Other Financial Schedules

COMBINING STATEMENTS

Nonmajor Governmental Funds

Special Revenue Funds

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

911 Excise Tax Resource Fund

The 911 Excise Tax Resource Fund accounts for revenue received from the State of Oregon from the “911” state emergency telephone system.

Police and Communications Special Levy Fund

The Police and Communications Special Levy Fund accounts for the receipts and expenditure of taxes received from a five year local option levy. Proceeds from the levy will be used to increase police personnel.

Fire and Emergency Services Special Levy Fund

The Fire and Emergency Services Special Levy Fund accounts for the receipt and expenditure of taxes received from a five year local option levy. Proceeds from the levy will be used to increase fire personnel and to increase current services.

Agency Funds

Municipal Court Fund

Library Board Trust Fund

CITY OF GLADSTONE, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2012

	911 Excise Tax Resource Fund	Police and Communications Special Levy Fund	Fire and Emergency Services Special Levy Fund	Total
ASSETS				
Cash and investments	\$ 13,403	\$ 400,655	\$ 445,050	\$ 859,108
Cash with county treasurer	-	2,183	1,091	3,274
Accounts receivable	14,115	-	-	14,115
Property taxes receivable	-	32,707	15,499	48,206
Total assets	<u>\$ 27,518</u>	<u>\$ 435,545</u>	<u>\$ 461,640</u>	<u>\$ 924,703</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ 209	\$ 209
Deferred revenue	-	30,330	14,310	44,640
Total liabilities	<u>-</u>	<u>30,330</u>	<u>14,519</u>	<u>44,849</u>
FUND BALANCES:				
Restricted				
911 system	27,518	-	-	27,518
Assigned:				
Police services	-	405,215	-	405,215
Fire and emergency services	-	-	447,121	447,121
Total fund equity	<u>27,518</u>	<u>405,215</u>	<u>447,121</u>	<u>879,854</u>
Total liabilities and fund equity	<u>\$ 27,518</u>	<u>\$ 435,545</u>	<u>\$ 461,640</u>	<u>\$ 924,703</u>

CITY OF GLADSTONE, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012

	911 Excise Tax Resource Fund	Police and Communications Special Levy Fund	Fire and Emergency Services Special Levy Fund	Total
REVENUES:				
Property taxes	\$ -	\$ 485,621	\$ 228,504	\$ 714,125
Public service taxes	55,695	-	-	55,695
Contributions and donations	-	1,200	-	1,200
Interest	141	2,468	2,294	4,903
Total revenues	55,836	489,289	230,798	775,923
EXPENDITURES:				
Public safety	54,332	440,728	120,985	616,045
Capital outlay	-	202,278	96,899	299,177
Total expenditures	54,332	643,006	217,884	915,222
Revenues over (under) expenditures	1,504	(153,717)	12,914	(139,299)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(12,166)	(5,114)	(17,280)
Total other financing sources (uses)	-	(12,166)	(5,114)	(17,280)
Net changes in fund balances	1,504	(165,883)	7,800	(156,579)
FUND BALANCES, BEGINNING	26,014	571,098	439,321	1,036,433
FUND BALANCES, ENDING	\$ 27,518	\$ 405,215	\$ 447,121	\$ 879,854

CITY OF GLADSTONE, OREGON
 AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 For the Fiscal Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
Municipal Court Fund				
Assets				
Cash	\$ 7,005	\$ -	\$ 3,657	\$ 3,348
Liabilities				
Other current liabilities	\$ 7,005	\$ -	\$ 3,657	\$ 3,348
 Library Board Trust Fund				
Assets				
Cash	\$ 21,814	\$ 114	\$ -	\$ 21,928
Liabilities				
Other current liabilities	\$ 21,814	\$ 114	\$ -	\$ 21,928
 Totals - All Agency Funds				
Assets				
Cash	\$ 28,819	\$ 114	\$ 3,657	\$ 25,276
Liabilities				
Other current liabilities	\$ 28,819	\$ 114	\$ 3,657	\$ 25,276

BUDGETARY COMPARISON SCHEDULES

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

These Budgetary Comparison schedules included the following:

- General Fund Schedule of Expenditures
- Capital Library Fund
- Special Revenue Funds - Nonmajor Governmental Funds
 - 911 Excise Tax Resource Fund
 - Police and Communications Special Levy Fund
 - Fire and Emergency Services Special Levy Fund

CITY OF GLADSTONE, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
General Administration:				
Personal services	\$ 479,989	\$ 479,989	\$ 429,323	\$ 50,666
Materials and services	566,800	566,800	468,083	98,717
Subtotal	1,046,789	1,046,789	897,406	149,383
Municipal Court:				
Personal services	168,051	168,051	156,249	11,802
Materials and services	104,060	104,060	79,671	24,389
Subtotal	272,111	272,111	235,920	36,191
Police:				
Personal services	1,620,050	1,620,050	1,452,040	168,010
Materials and services	227,000	227,000	204,104	22,896
Subtotal	1,847,050	1,847,050	1,656,144	190,906
Fire:				
Personal services	572,898	572,898	371,598	201,300
Materials and services	242,665	242,665	220,400	22,265
Capital outlay	398,000	398,000	58,139	339,861
Subtotal	1,213,563	1,213,563	650,137	563,426
Parks:				
Personal services	145,827	145,827	115,552	30,275
Materials and services	108,050	178,050	151,532	26,518
Capital outlay	372,909	372,909	39,797	333,112
Subtotal	626,786	696,786	306,881	389,905
Recreation:				
Personal services	26,000	46,000	28,207	17,793
Materials and services	54,150	54,150	8,844	45,306
Subtotal	80,150	100,150	37,051	63,099

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CITY OF GLADSTONE, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Senior Center:				
Personal services	194,388	194,388	189,113	5,275
Materials and services	44,350	54,350	43,431	10,919
Capital outlay	263,932	263,932	270	263,662
Subtotal	502,670	512,670	232,814	279,856
Library:				
Personal services	609,049	609,049	583,698	25,351
Materials and services	70,340	70,340	69,047	1,293
Capital outlay	98,000	98,000	85,069	12,931
Subtotal	777,389	777,389	737,814	39,575
Total expenditures	\$ 6,366,508	\$ 6,466,508	\$ 4,754,167	\$ 1,712,341

CITY OF GLADSTONE, OREGON
LIBRARY CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Contributions and donations	\$ -	\$ -	\$ 550	\$ 550
Interest	-	-	12,183	12,183
Miscellaneous	457,213	457,213	-	(457,213)
Total revenues	457,213	457,213	12,733	(444,480)
EXPENDITURES:				
Capital outlay	9,542,787	9,542,787	470,075	9,072,712
Total expenditures	9,542,787	9,542,787	470,075	9,072,712
Revenues over (under) expenditures	(9,085,574)	(9,085,574)	(457,342)	8,628,232
OTHER FINANCING SOURCES (USES):				
Transfers in	7,085,574	7,085,574	-	(7,085,574)
Total other financing sources (uses)	7,085,574	7,085,574	-	(7,085,574)
Net changes in fund balances	(2,000,000)	(2,000,000)	(457,342)	1,542,658
FUND BALANCES, BEGINNING	2,000,000	2,000,000	2,486,680	486,680
FUND BALANCES, ENDING	\$ -	\$ -	\$ 2,029,338	\$ 2,029,338

CITY OF GLADSTONE, OREGON
 911 EXCISE TAX RESOURCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Public service taxes	\$ 60,000	\$ 60,000	\$ 55,695	\$ (4,305)
Interest	-	-	141	141
Total revenues	60,000	60,000	55,836	(4,164)
EXPENDITURES:				
Materials and service	60,000	60,000	54,332	5,668
Contingency	1,000	1,000	-	1,000
Total expenditures	61,000	61,000	54,332	6,668
Revenues over (under) expenditures	(1,000)	(1,000)	1,504	2,504
Net changes in fund balances	(1,000)	(1,000)	1,504	2,504
FUND BALANCES, BEGINNING	1,000	1,000	26,014	25,014
FUND BALANCES, ENDING	\$ -	\$ -	\$ 27,518	\$ 27,518

CITY OF GLADSTONE, OREGON
POLICE AND COMMUNICATIONS SPECIAL LEVY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 472,105	\$ 472,105	\$ 485,621	\$ 13,516
Contributions and donations	-	-	1,200	1,200
Interest	2,000	2,000	2,468	468
Total revenues	474,105	474,105	489,289	15,184
EXPENDITURES:				
Personal service	536,507	536,507	423,732	112,775
Materials and service	93,032	93,032	16,996	76,036
Capital outlay	311,466	311,466	202,278	109,188
Total expenditures	941,005	941,005	643,006	297,999
Revenues over (under) expenditures	(466,900)	(466,900)	(153,717)	313,183
OTHER FINANCING SOURCES (USES):				
Transfers out	(12,166)	(12,166)	(12,166)	-
Total other financing sources (uses)	(12,166)	(12,166)	(12,166)	-
Net changes in fund balances	(479,066)	(479,066)	(165,883)	313,183
FUND BALANCE, BEGINNING	479,066	479,066	571,098	92,032
FUND BALANCE, ENDING	\$ -	\$ -	\$ 405,215	\$ 405,215

CITY OF GLADSTONE, OREGON
 FIRE AND EMERGENCY SERVICES SPECIAL LEVY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 219,426	\$ 219,426	\$ 228,504	\$ 9,078
Interest	2,000	2,000	2,294	294
Total revenues	221,426	221,426	230,798	9,372
EXPENDITURES:				
Personal service	127,825	127,825	114,275	13,550
Materials and service	80,000	80,000	6,710	73,290
Capital outlay	397,611	397,611	96,899	300,712
Total expenditures	605,436	605,436	217,884	387,552
Revenues over (under) expenditures	(384,010)	(384,010)	12,914	396,924
OTHER FINANCING SOURCES (USES):				
Transfers out	(5,114)	(5,114)	(5,114)	-
Total other financing sources (uses)	(5,114)	(5,114)	(5,114)	-
Net changes in fund balances	(389,124)	(389,124)	7,800	396,924
FUND BALANCES, BEGINNING	389,124	389,124	439,321	50,197
FUND BALANCES, ENDING	\$ -	\$ -	\$ 447,121	\$ 447,121

BUDGETARY COMPARISON SCHEDULES
Enterprise Funds

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- Water Fund
- Sewer Fund

CITY OF GLADSTONE, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES:				
Service charges	\$ 1,038,240	\$ 1,038,240	1,049,279	\$ 11,039
Connection and installation fees	3,000	3,000	5,344	2,344
System development charge	1,000	1,000	16,827	15,827
Miscellaneous	1,000	1,000	2,497	1,497
Total revenues	<u>1,043,240</u>	<u>1,043,240</u>	<u>1,073,947</u>	<u>30,707</u>
EXPENDITURES:				
Personal service	290,749	290,749	240,224	50,525
Materials and service	637,700	637,700	388,109	249,591
Capital outlay	404,446	399,446	41,338	358,108
Debt service:				
Principal	105,000	110,000	100,000	10,000
Interest	86,222	86,222	84,340	1,882
Total expenditures	<u>1,524,117</u>	<u>1,524,117</u>	<u>854,011</u>	<u>670,106</u>
Revenues over (under) expenditures	(480,877)	(480,877)	219,936	700,813
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>480,877</u>	<u>480,877</u>	<u>743,041</u>	<u>262,164</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 962,977</u>	<u>\$ 962,977</u>
			<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above			\$ 1,073,947	\$ 854,011
Expenditures capitalized				(159,271)
Debt service principal payments				(100,000)
Depreciation expense				144,381
Accrued interest payable				(1,875)
Bond amortization expense				3,335
Net OPEB obligation				2,034
Equity in net income/loss of joint venture			(155,190)	-
Total revenues and expenses - generally accepted accounting principles			<u>\$ 918,757</u>	<u>742,615</u>
Change in net assets				<u>\$ 176,142</u>

CITY OF GLADSTONE, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Service charge	\$ 1,424,600	\$ 1,424,600	\$1,466,225	\$ 41,625
Connection and installation fees	500	500	11,202	10,702
System development charge	1,000	1,000	2,296	1,296
Miscellaneous	1,000	1,000	2,420	1,420
Total revenues	1,427,100	1,427,100	1,482,143	55,043
EXPENDITURES:				
Personal service	234,743	244,743	224,210	20,533
Materials and service	1,293,840	1,293,840	1,101,644	192,196
Capital outlay	608,209	598,209	54,004	544,205
Contingency	-	-	-	-
Total expenditures	2,136,792	2,136,792	1,379,858	756,934
Revenues over (under) expenditures	(709,692)	(709,692)	102,285	811,977
OTHER FINANCING SOURCES (USES):				
Transfers out	(23,270)	(23,270)	(23,270)	-
Total other financing sources (uses)	(23,270)	(23,270)	(23,270)	-
Net changes in fund balances	(732,962)	(732,962)	79,015	811,977
FUND BALANCE, BEGINNING BUDGETARY BASIS	732,962	732,962	858,442	125,480
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 937,457	\$ 937,457
			<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above			\$1,482,143	\$ 1,379,858
Operating transfers in/out			-	23,270
Expenditures capitalized			-	(57,408)
Depreciation and amortization expense			-	81,944
Net OPEB obligation			-	2,963
Total revenues and expenses - generally accepted accounting principles			\$1,482,143	1,430,627
Change in net assets				\$ 51,516

OTHER FINANCIAL SCHEDULES

CITY OF GLADSTONE, OREGON
 SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
 For the Fiscal Year Ended June 30, 2012

Fiscal Year	Uncollected Balance June 30, 2011	2011-2012 Levy	Adjustments/ Discount	Collections	Uncollected Balance June 30, 2012
2011-2012	\$ -	\$ 4,945,841	\$ (137,426)	\$ (4,646,707)	\$ 161,708
2010-2011	154,475	-	11,288	(83,854)	81,909
2009-2010	68,729	-	(1,005)	(13,898)	53,826
2008-2009	36,082	-	(645)	(19,141)	16,296
2007-2008	10,479	-	(268)	(7,136)	3,075
2006-2007	2,919	-	(134)	(1,133)	1,652
Prior years	5,082	-	(230)	(904)	3,948
Totals	<u>\$ 277,766</u>	<u>\$ 4,945,841</u>	<u>\$ (128,420)</u>	<u>\$ (4,772,773)</u>	<u>\$ 322,414</u>

Taxes receivable classified by fund:

General Fund	\$ 219,038
Police Fund	32,707
Fire Fund	15,499
Urban Renewal Agency Debt Service Fund	55,170
	<u>\$ 322,414</u>

**INDEPENDENT AUDITOR'S REPORT REQUIRED
BY OREGON STATE REGULATION**

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATION**

The Honorable Mayor and City Council
City of Gladstone
Gladstone, Oregon

We have audited the basic financial statements of the City of Gladstone, Oregon (the City), as of and for the year ended June 30, 2012 and have issued our report thereon dated January 29, 2013. 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 the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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 repayments.
- 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, and 279C).

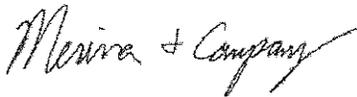
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the 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.

This report is intended solely for the information and use of the City Council and the Oregon Secretary of State, Audits Division, and management, and is not intended to be and should not be used by anyone other than these specified parties.



Merina & Company, LLP
West Linn, Oregon
January 29, 2013

URBAN RENEWAL

January 25, 2013

To the Agency Officials
City of Gladstone Urban Renewal Agency
Gladstone, Oregon

We have audited the financial statements of the governmental activities and the major fund of the City of Gladstone Urban Renewal Agency (the Agency) for the year ended June 30, 2012. Professional standards (for Certified Public Accountants) require that we provide you with the following information about our responsibilities under general accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 13, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note (1) to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates affecting the Agency's financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of

management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 25, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

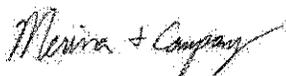
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

If you should have any questions or comments, we will be pleased to discuss this report with you at your convenience.

Very truly yours,



Merina & Company, LLP
Certified Public Accountants and Consultants

GLADSTONE URBAN RENEWAL AGENCY

FINANCIAL STATEMENTS

For the Fiscal Year Ended
June 30, 2012

with

Independent Auditor's
Report

MERINA
& COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

5499 AMY STREET • WEST LINN, OR 97068
PHONE: (503) 723-0300 • FAX: (503) 723-9946 • WWW.MERINACPAS.COM

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**GLADSTONE URBAN RENEWAL AGENCY
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INTRODUCTORY SECTION

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**GLADSTONE URBAN RENEWAL AGENCY
LIST OF PRINCIPAL OFFICIALS
June 30, 2012**

Officials

Term Expires

Wade Byers, Mayor
Gladstone, Oregon 97027

December 31, 2014

Ray Jaren, President
Gladstone, Oregon 97027

December 31, 2014

Kari Martinez
Gladstone, Oregon 97027

December 31, 2014

Walt Fitch
Gladstone, Oregon 97027

December 31, 2012

Len Nelson
Gladstone, Oregon 97027

December 31, 2012

Hal Busch
Gladstone, Oregon 97027

December 31, 2014

Thomas Mersereau
Gladstone, Oregon 97027

December 31, 2012

Administrator

Peter Boyce
Gladstone, Oregon 97027

Assistant Administrator

Jolene Morishita
Gladstone, Oregon 97027

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FINANCIAL SECTION

UR-1-7

INDEPENDENT AUDITOR'S REPORT

Agency Officials
Gladstone Urban Renewal Agency
Gladstone, Oregon

We have audited the accompanying financial statements of the governmental activities and the major fund, of the Gladstone Urban Renewal Agency, a component unit of the City of Gladstone, Oregon (the Agency), as of and for the year ended June 30, 2012, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

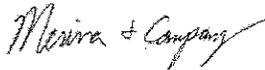
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Agency, as of June 30, 2012, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's financial statements as a whole. The introductory section is presented for purposes of additional analysis and is not a required part of the financial statements. 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.



Merina & Company, LLP
West Linn, Oregon
January 25, 2013

Gladstone Urban Renewal Agency Management's Discussion and Analysis

Management staff of the Gladstone Urban Renewal Agency offers this executive summary of the financial activities of the Gladstone Urban Renewal Agency for the fiscal year ended June 30, 2012.

Financial Highlights

The assets of the Gladstone Urban Renewal Agency exceeded its liabilities at the close of the most recent fiscal year by \$2,026,642 (net assets). This amount may be used to meet the Agency's ongoing obligations to citizens and creditors.

The Gladstone Urban Renewal Agency's total net assets increased by \$702,111 from the fiscal year ending in 2011 due to the Agency initiating no capital projects and, instead, saving almost all of its assets for possible future construction of a new library or streetscape improvements on Portland Avenue.

As of the close of the current fiscal year, the Gladstone Urban Renewal Agency's governmental fund reported a total ending fund balance of \$1,975,548. The difference between \$2,026,642 unrestricted net assets and the ending fund balance of \$1,975,548 is due to uncollected property tax.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Gladstone Urban Renewal Agency's basic financial statements. Included are Government-wide financial statements and notes to the financial statements.

Government-wide Financial Statements. Government-wide financial statements are designed to provide readers with a broad overview of the Gladstone Urban Renewal Agency's finances in a manner similar to a private-sector business.

A statement of net assets presents information on all of the Agency's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. The financial position of the Agency is best indicated by changes in cash flow and cash reserve as shown the Agency's most recent budget.

A statement of activities in this discussion and analysis presents information showing how the Agency's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes). Governmental activity of the Urban Renewal Agency includes community development. There are no affiliated business type activities.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Gladstone Urban Renewal Agency, like other state and local governments, uses fund accounting to ensure and

demonstrate compliance with finance-related legal requirements. The fund of the Gladstone Urban Renewal Agency is in the governmental funds category.

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 financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Agency's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Gladstone Urban Renewal Agency maintains one individual governmental fund. 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 Urban Renewal Fund. The Agency adopts an annual appropriate budget for the governmental fund. A budgetary comparison has been provided to demonstrate compliance with the adopted budget.

Notes to the Basic Financial Statements. Notes to the basic financial statements provide additional information that is essential to a full understanding of the information 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. Assets exceeded liabilities by \$2,026,642 at the close of the most recent fiscal year.

By far the largest portion of the Gladstone Urban Renewal Agency's assets is cash and investments which have financial liquidity easily available for future spending.

The following table reflects a Summary of Net Assets for fiscal years 2011-2012 and 2010-2011.

	<u>2012</u>	<u>2011</u>	<u>Total Change</u>
Cash and investments	\$ 1,967,723	\$ 1,272,182	\$ 695,541
Due from other governments	3,749	4,871	(1,122)
Property taxes receivable	55,170	47,478	7,692
Total assets	<u>\$ 2,026,642</u>	<u>\$ 1,324,531</u>	<u>\$ 702,111</u>
Net assets:			
Unrestricted	<u>\$ 2,026,642</u>	<u>\$ 1,324,531</u>	<u>\$ 702,111</u>
Total net assets	<u>\$ 2,026,642</u>	<u>\$ 1,324,531</u>	<u>\$ 702,111</u>

The following table summarizes revenues and expenses for fiscal years 2011-2012 and 2010-2011.

Table 2
Governmental Activities

REVENUES	2012	2011	Total Change
General Revenues:			
Property taxes	\$ 829,607	\$ 809,109	\$ 20,498
Transfer In (Out)	-	(700,000)	700,000
Interest	8,482	6,782	1,700
Total revenues	<u>\$ 838,089</u>	<u>\$ 115,891</u>	<u>\$ 722,198</u>
EXPENSES			
Community development	<u>\$ 135,978</u>	<u>\$ 15,562</u>	<u>\$ 120,416</u>
Increase (Decrease) in net assets	702,111	100,329	601,782
Beginning net assets	<u>1,324,531</u>	<u>1,224,202</u>	<u>100,329</u>
Ending net assets	<u>\$ 2,026,642</u>	<u>\$ 1,324,531</u>	<u>\$ 702,111</u>

Governmental Activities. Governmental activities increased the Gladstone Urban Renewal Agency's net assets by \$702,111.

Financial Analysis of the Agency's funds

Governmental Fund. The focus of the Gladstone Urban Renewal Agency's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financial requirements. In particular, unrestricted fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year. The \$1,975,548 ending fund balance is unrestricted for Urban Renewal Development.

Budgetary Highlights. The Gladstone Urban Renewal Agency did not have expenditures for any community projects for the fiscal year ended 2011-2012.

Capital Assets. The Gladstone Urban Renewal Agency has no capital assets. Upon completion of street improvements construction, the assets are transferred to the City of Gladstone.

Long-term Debt. At the end of the fiscal year, the Gladstone Urban Renewal Agency had no long-term debt outstanding. In response to 1997 state legislation, the Gladstone City Council, acting as officials of the Gladstone Urban Renewal Agency, at its April 1998 meeting, authorized \$23,000,000 in maximum indebtedness (adjusted for future inflation) for projects that could be financed over the next 30 years.

Economic Factors and Next Year's Budget. The future finances of the Agency will largely be determined by pending decisions of its governing board regarding the inclusion of additional streets within the Agency's boundary and possible exclusion of land and increment value from existing renewal boundary. This could include inclusion of Portland Avenue from Gloucester

Street to Clackamas Boulevard for possible streetscape improvements.

Requests for Information. This report was modeled after "Management's Discussion and Analysis" prepared by other cities, based on figures furnished by the Gladstone Urban Renewal Agency's auditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City staff at 525 Portland Avenue, Gladstone, 97027 or call 503-557-2767. Staff may consult with the City's auditor, Merina & Company.

BASIC FINANCIAL STATEMENTS

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GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF NET ASSETS
June 30, 2012

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 1,967,723
Due from other governments	3,749
Property taxes receivable	<u>55,170</u>
Total assets	<u><u>\$ 2,026,642</u></u>
NET ASSETS:	
Unrestricted:	
Urban Renewal Development	<u>2,026,642</u>
Total net assets	<u>2,026,642</u>
Total liabilities and net assets	<u><u>\$ 2,026,642</u></u>

The accompanying notes are an integral part of these financial statements

GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

	<u>Expenses</u>	<u>Net Revenue (Expenses) and Changes in Net Assets</u>
EXPENSES:		
Governmental activities:		
Community development	<u>\$ 135,978</u>	<u>\$ (135,978)</u>
Total program expenses		<u>(135,978)</u>
Net program expense		<u>(135,978)</u>
GENERAL REVENUES:		
Property taxes		829,607
Interest		<u>8,482</u>
Total general revenues		<u>838,089</u>
Change in net assets		702,111
NET ASSETS, BEGINNING		<u>1,324,531</u>
NET ASSETS, ENDING		<u><u>\$ 2,026,642</u></u>

The accompanying notes are an integral part of these financial statements

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GLADSTONE URBAN RENEWAL AGENCY
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2012

ASSETS:

Cash and cash equivalents	\$ 1,967,723
Due from other governments	3,749
Property taxes receivable	<u>55,170</u>
Total assets	<u><u>\$ 2,026,642</u></u>

LIABILITIES:

Deferred revenue	<u>\$ 51,094</u>
Total liabilities	<u>51,094</u>

FUND BALANCE:

Unrestricted	
Urban Renewal Development	<u>1,975,548</u>
Total fund balance	<u>1,975,548</u>
Total liabilities and fund balance	<u><u>\$ 2,026,642</u></u>

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

Total fund balance	\$ 1,975,548
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the fund	<u>51,094</u>
Net assets of governmental activities	<u><u>\$ 2,026,642</u></u>

GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2012

REVENUES:

Property taxes	\$ 821,591
Interest on investments	<u>8,482</u>
Total revenues	<u>830,073</u>

EXPENDITURES:

Materials and services	28,202
Capital outlay	<u>107,776</u>
Total expenditures	<u>135,978</u>
Revenues over (under) expenditures	<u>694,095</u>
Net change in fund balance	694,095

FUND BALANCE, BEGINNING	<u>1,281,453</u>
--------------------------------	------------------

FUND BALANCE, ENDING	<u><u>\$ 1,975,548</u></u>
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The accompanying notes are an integral part of these financial statements

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**GLADSTONE URBAN RENEWAL AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012**

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

Net change in fund balance - total governmental fund	\$ 694,095
Some revenue reported in the statement of activities do not provide current financial resources in the government fund	<u>8,016</u>
Changes in net assets of governmental activity	<u><u>\$ 702,111</u></u>

GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 792,975	\$ 792,975	\$ 821,591	\$ 28,616
Interest on investments	4,000	4,000	8,482	4,482
Total revenues	796,975	796,975	830,073	33,098
EXPENDITURES:				
Materials and services	60,000	60,000	28,202	31,798
Capital outlay	1,222,746	1,222,746	107,776	1,114,970
Debt service:				-
Principal	350,000	350,000	-	350,000
Interest	400,000	400,000	-	400,000
Total expenditures	2,032,746	2,032,746	135,978	1,896,768
Revenues over (under) expenditures	(1,235,771)	(1,235,771)	694,095	1,929,866
OTHER FINANCING SOURCES (USES):				
Issuance of debt	7,500,000	7,500,000	-	(7,500,000)
Transfers in (out)	(7,500,000)	(7,500,000)	-	7,500,000
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(1,235,771)	(1,235,771)	694,095	1,929,866
FUND BALANCES, BEGINNING	1,235,771	1,235,771	1,281,453	45,682
FUND BALANCES, ENDING	\$ -	\$ -	\$ 1,975,548	\$ 1,975,548

The accompanying notes are an integral part of these financial statements

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GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

(1) Description of the Agency and Summary of Significant Accounting Policies

The financial statements of the Agency have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Description of Reporting Entity

The Gladstone Urban Renewal Agency (the Agency) (a component unit of the City of Gladstone) was organized October 11, 1988 under the provisions of Oregon Revised Statutes, Chapter 457, to provide rehabilitation of blighted and deteriorated areas within the Agency's designated urban renewal area. The fiscal year ended June 30, 1998 was the first year property taxes were levied by the Agency. As provided by ORS 457, the City Council of the City of Gladstone is designated as the governing body and the Gladstone Urban Renewal Agency. Principle funding sources are property tax revenues and interest earnings. Fiscal and accounting functions are handled by personnel of the City of Gladstone.

The Agency is a legally separate entity governed by the City Council. The Agency Board of Directors is not financially accountable for any other governmental entity. Financial accountability is determined in accordance with criteria set forth in accounting principles generally accepted in the United States of America, primarily on the basis of authority to appoint voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific benefits or impose specific financial burdens and that organization's fiscal dependency. The Agency is a blended component unit of the City of Gladstone and, as such is included in the financial statements of the City of Gladstone for the year ended June 30, 2012.

The Agency has no component units.

B. Basic Financial Statements

The Agency's financial operations are presented at both the agency-wide and fund financial levels. All activities on the Agency are categorized as governmental.

Agency-wide financial statements

The statement of net assets and the statement of activities display information about the Agency as a whole.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

Fund financial statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, and fiduciary. Currently the Agency has only governmental fund types.

C. Basis of Presentation

The financial transactions of the Agency are recorded in the General Fund. The fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The GASB 34 model sets forth minimum criteria (percentage of the assets liabilities, revenues or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. For purposes of presentation, the Agency's fund is presented as a major fund.

General Fund - The General Fund is used to record expenditures related to capital improvements projects. Major sources of revenue and other financing sources are specific taxes that are legally restricted to expenditures for specific purposes.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The Agency-wide financial statements are reported using the *economic resources measurement focus* and the *full 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. 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, long-term compensated absences are recorded only when payment is due.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the agency-wide statements, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the agency-wide presentation.

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GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

E. Cash and Investments

The Agency considers cash equivalents as all highly liquid investments with maturity of three months or less. Investments include in cash and cash equivalents are reported at fair value.

F. Receivables and Property Tax Calendar

Uncollected property taxes receivable, which have been collected within sixty days following year-end are considered measurable and available and are recognized as revenue. The remaining balance is recorded as deferred revenue because it is not deemed available to finance operations of the current period. Real and personal property taxes are levied in July of each fiscal year. Property taxes attach as an enforceable lien on property as of July 1, and are payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Clackamas County and remitted to the Agency. Uncollected taxes, including delinquent amounts, are considered substantially collectible or recoverable through liens, and accordingly no allowance for uncollected taxes has been established. All property taxes receivable are due from property owners within the Agency's boundaries.

G. Fund Equity

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

Non-Spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

Committed – Includes items committed by the Agency Board of Directors, by formal board action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes items assigned for specific uses, authorized by the Agency. Assignments of fund balance can be done at any time, including after the fiscal year end date. In accordance with the Agency's adopted fund policy, amounts may be assigned by the Agency Administrator.

Unassigned – This is the residual classification used for those balances not assigned to another category.

H. Use of Restricted Resources

When both restricted and unrestricted resources are available for use: it is the Agency's policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources are available for use it is the Agency's policy to use committed resources first, then assigned, and then unassigned as needed.

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

I. Use of Estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Stewardship, Compliance, and Accountability

A. Budgetary Information

On or before June 30 of each year, the Agency enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the Agency Board of Directors and a like number of interested citizens. The budget committee presents the budget to the Agency Board of Directors for budget hearings prior to enactment of the resolution. The Agency budgets all funds as required by Oregon Local Budget Law.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Expenditure categories of personal services, materials and services, capital outlay, debt service transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the Agency Board. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the Agency Board. Management may not amend the budget without seeking the approval of the Board. Appropriations lapse as of year-end.

(3) Cash and Cash Equivalents

At June 30, 2012 investments included in cash and cash equivalents of the Gladstone Urban Renewal Agency consist of the following:

	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 1,943,525

A. Interest rate risk

The Agency does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

B. Credit risk

State statutes authorize the Gladstone Urban Renewal Agency to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Oregon Local Government Investment Pool, among others. The Agency has no investment policy that would further limit its investment choices.

C. Concentration of credit risk

The Gladstone Urban Renewal Agency does not currently have an investment policy for concentration of credit risk.

The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Pool is not registered with the SEC as an investment company and is not rated.

D. Custodial credit risk – deposits

This is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the Agency's deposits with financial institutions up to \$250,000 each for the combined total of all interest bearing accounts at each financial institution and unlimited coverage for non-interest bearing transaction accounts. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2012, none of the Agency's bank balances were exposed to credit risk.

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

(4) Property Taxes

Property tax transactions for the year ended June 30, 2012, were as follows:

<u>Tax Year</u>	<u>Taxes Receivable July 1, 2011</u>	<u>2011-2012 Levy</u>	<u>Collections</u>	<u>Adjustments and Discounts</u>	<u>Taxes Receivable June 30, 2012</u>
2011-2012		848,577	(797,254)	(23,579)	27,744
2010-2011	26,856		(14,579)	1,963	14,240
2009-2010	11,647		(2,355)	(170)	9,122
2008-2009	6,017		(3,191)	(108)	2,718
2007-2008	1,739		(1,185)	(45)	509
2006-2007	480		(186)	(22)	272
Prior	739		(142)	(32)	565
	<u>47,478</u>	<u>848,577</u>	<u>(818,892)</u>	<u>(21,993)</u>	<u>55,170</u>

(5) Deferred Revenue

Deferred revenue as of June 30, 2012 consists of uncollected property taxes not deemed available to finance operations of the current period.

(6) Risk Management

The Agency is exposed to various risks of loss related to: torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. Except for unemployment compensation, the Agency purchases commercial insurance to minimize its exposure to these risks. There has been no reduction in commercial insurance coverage from fiscal year 2011 to 2012.

UR-1-26

**INDEPENDENT AUDITOR'S REPORT REQUIRED
BY OREGON STATE REGULATION**

UR-1-27

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATION**

Agency Officials
Gladstone Urban Renewal Agency
Gladstone, Oregon

We have audited the basic financial statements of the Gladstone Urban Renewal Agency (the Agency), as of and for the year ended June 30, 2012 and have issued our report thereon dated January 25, 2013. 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 the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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 repayments. The Agency does not have any debt.
- 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. The Agency does not receive highway revenues.
- Authorized investment of surplus funds. (ORS Chapter 294).

UR-1-28

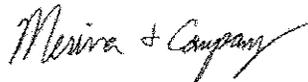
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The Agency does not have any elected officials collecting or receiving money.

In connection with our testing, nothing came to our attention that caused us to believe the 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 the 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 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.

This report is intended solely for the information and use of the Agency Officials, the Oregon Secretary of State, Audits Division, and management, and is not intended to be and should not be used by anyone other than these specified parties.



Merina & Company, LLP
West Linn, Oregon
January 25, 2013



APPOINTMENT TO BUDGET COMMITTEE

February 6, 2013

Please be advised there are currently two (2) vacant terms on the Budget Committee. One 3 year term expires 12-31-13 and one (alternate position) term expires 12-31-15.

The Budget Committee is a requirement of Chapter 294 of Oregon Revised Statutes and consists of the City Council and an equal number of electors of the municipal corporation. Citizen members are appointed by the City Council and serve terms of three years. The current Budget Committee includes an alternate member. Terms are staggered so that about one-third of appointments end each year.

Applications to the Budget Committee have been received from:

- Rose Johnson, 5480 Abernethy Court. Rose has lived in Gladstone for 17 years and is a retired Real Estate Appraiser. Rose supports consensus building between citizens and city officials. She wants to help the City make accurate and timely budgets for City's needs. Supports open, fair, competent & financially stable government.
- Ryan Saban, 8040 Stone Oaks Ct. Ryan has lived in Gladstone for 2 years and is a Personal Banker for US Bank. Ryan would like to serve on this commission for multiple reasons. He is very well versed in the financial world. He is interested in helping his community grow and strive financially and bring the community together.
- Craig Seghers, 17400 Webster Rd #34. Craig has lived in Gladstone for 16 years is a Land Surveyor – unemployed, Apartment Maintenance and scrap metal salvage. Craig would like to serve due to civic responsibility – need to increase public participation in local government. Reasonably well informed about local issues. Has no hidden agendas or plans to campaign for elective office which might interfere with his decision making process.
- Colette Umbras, 7515 Ridgewood Dr. Colette has lived in Gladstone for 30+ years and is a retired Human Resources Manager for Multnomah County. Colette would like to continue contributing to her community. She has had considerable experience with government budgeting which she believes would be an asset to this committee.

RECOMMENDATION: Appoint one applicant to a term that expires December 31, 2013 and one applicant to the alternate position, term to expire December 31, 2015.

CITY OF GLADSTONE

APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES

- | | |
|--|---|
| <input checked="" type="checkbox"/> Budget Committee | <input type="checkbox"/> Park & Recreation Board |
| <input type="checkbox"/> Planning Commission | <input type="checkbox"/> Library Board |
| <input type="checkbox"/> Traffic Safety Committee | <input type="checkbox"/> Senior Center Advisory Board |

NAME ROSE JOHNSON

ADDRESS 5480 ABERNETHY CT, Gladstone, 97027

TELEPHONE, HOME 503 656 7243 WORK retired

EMAIL mrosej47@comcast.net HOW LONG HAVE YOU LIVED HERE? 17 YEARS

OCCUPATION/EMPLOYER RETIRED REAL ESTATE APPRAISER, COUNTY IN OREGON Metro-area, 22 YEARS EXPERIENCE, land, residential & commercial improved property appraisal, expert witness in property tax appeals. research, & analysis, sales studies, building cost studies, spreadsheets & Excel. Executive Board Officer (elected) for collective bargaining unit, Shop Steward. Real Estate property manager since 1970. Experienced landlord; familiar with Oregon landlord/tenant law. State of Oregon Citizen Involvement training. Neighborhood Association activist.

DESCRIBE YOUR ACTIVITIES & INTERESTS Citizen Involvement; fair, open, competent, fiscally responsible government; fair property & income taxation; Small Woodlands Tract owner/Forestry & Tree School OSU, Gardening

PREVIOUS COMMUNITY AFFILIATIONS Former member of SaveGladstone.org, opposed the new \$10 M library 2011-12; in favor of existing library; Gladstone Budget Committee 2000, NE sector Washington County Comprehensive Plan Committee, 1978; West Hills Island Neighborhood Association activist; we forced Metro to reverse their "done deal" decision to site a sanitary landfill for Portland on the Wildwood Golf Course (East/Sauvies Island) & the garbage is now trucked to Boardman 1980

HAVE YOU EVER APPLIED FOR A COMMITTEE POSITION BEFORE yes

If yes, when? 2,000, 1997 What Committee? Budget Committee & Traffic Safety

WHY WOULD YOU LIKE TO SERVE ON THIS COMMISSION BOARD OR COMMITTEE

I support consensus building between citizens and city officials. I want to help the city make accurate & timely budgets for city's needs. Support open, fair, competent, & financially stable gov't.

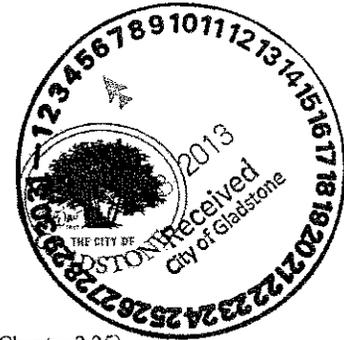
SIGNATURE Rose Johnson

DATE Jan 4, 2013

11-2

CITY OF GLADSTONE

APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES



- Budget Committee
- Planning Commission (Review GMC Chapter 2.28)
- Traffic Safety Comm.
- Park & Recreation Board
- Library Board (Review GMC Chapter 2.25)
- Senior Center Advisory Bd.

NAME: Ryan Saban

ADDRESS: 8040 Stone Oaks Ct Gladstone, OR

TELEPHONE: (HOME) (503) 381-8806 (WORK) (503) 275-3011

EMAIL: Ryan.Saban@USBANK.COM

HOW LONG HAVE YOU LIVED IN GLADSTONE: 2 years

OCCUPATION/EMPLOYER (state your specific line of business): Personal Banker / US Bank

DESCRIBE YOUR ACTIVITIES

AND INTERESTS: I am very interested in any and all aspects of finance. I love to be active and helpful with the youth. I have organized and volunteered at youth camps and coached at Milwaukie high school.

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS

AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: The majority of my activities involve working with athletics and schools. Ranging from Milwaukie high, Putnam high, and Rose Middle school

Have you ever applied for a Committee Position Before? YES X NO

If yes, when? _____ What Committee? _____

Why would you like to serve on this Commission, Board or Committee?

(Attach additional materials or information if you wish).

I would like to serve on this commission for multiple reasons. I am very well versed in the financial world. I am very interested in helping my community grow and strive financially and bring the community together.

SIGNATURE [Handwritten Signature]

DATE: 2-5-13



CITY OF GLADSTONE

APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES

- Budget Committee
- Planning Commission (Review GMC Chapter 2.28)
- Traffic Safety Comm.
- Park & Recreation Board
- Library Board (Review GMC Chapter 2.25)
- Senior Center Advisory Bd.

NAME: CRAIG SEGHERS

ADDRESS: 17400 WEBSTER RD. #34 GLADSTONE 97027

TELEPHONE: (HOME) 503-334-5849 (WORK) SAME

EMAIL: CS0318@HOTMAIL.COM

HOW LONG HAVE YOU LIVED IN GLADSTONE: 16 YEARS

OCCUPATION/EMPLOYER (state your specific line of business): LAND SURVEYOR - UNEMPLOYED
APARTMENT MAINT. - GLADSTONE FOREST APTS.
SCRAP METAL SALVAGE, & OTHER TEMP. JOBS

DESCRIBE YOUR ACTIVITIES

AND INTERESTS: SCHOOL AND GIRL SCOUT ACTIVITIES WITH MY

DAUGHTER, VEGETABLE + NATIVE PLANT GARDENING, BICYCLING,

RUNNING, READING - HISTORY, SCIENCE, ARCHEOLOGY, LAW.

MUSIC - GUITAR, SPORTS ON TV + RADIO

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS

AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: SCHOOL BUDGET COMMITTEE

PTA, PFO, GIRL SCOUTS, OCCASIONAL VOLUNTEER
WORK

Have you ever applied for a Committee Position Before?

YES NO

If yes, when? DEC, 2012 What Committee? BUDGET, PLANNING

Why would you like to serve on this Commission, Board or Committee?

(Attach additional materials or information if you wish).

CIVIC RESPONSIBILITY - WE NEED TO INCREASE PUBLIC PARTICIPATION

IN LOCAL GOVERNMENT, I'M REASONABLY WELL INFORMED ABOUT

LOCAL ISSUES, I HAVE NO HIDDEN AGENDAS OR PLANS TO
CAMPAIGN FOR ELECTIVE OFFICE WHICH MIGHT INTERFERE
WITH MY DECISION MAKING PROCESS

SIGNATURE: Craig Seghers DATE: 1/25/2013

CITY OF GLADSTONE

APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES



Budget Committee _____ Park & Recreation Board
 Planning Commission (Review GMC Chapter 2.28) _____ Library Board (Review GMC Chapter 2.25)
 Traffic Safety Comm. _____ Senior Center Advisory Bd.

NAME: COLETTE UMBRAS

ADDRESS: 7515 Ridgewood DR, Gladstone

TELEPHONE: (HOME) 503.650.0195 (WORK) n/a

EMAIL: cumbbras@hotmail.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 30+ years

OCCUPATION/EMPLOYER (state your specific line of business): Retired Human Resources Manager for Multnomah County - 30+ years - I worked with all County Departments during that time

DESCRIBE YOUR ACTIVITIES

AND INTERESTS: Travel, cooking, gardening, reading, crossword puzzles + sudoku, card & board games

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS

AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Gladstone Public Library Foundation

Director (4 years); served as Foundation rep. on New Library Planning +

Design Committees; short stint as volunteer w/ ^{Glad.} Police Dept; High School fund raisers; Cub Scouts, school + community athletics for kids.

Have you ever applied for a Committee Position Before?

YES NO

If yes, when? _____ What Committee? _____

Why would you like to serve on this Commission, Board or Committee?

(Attach additional materials or information if you wish).

I would like to continue contributing to my community. I have had considerable experience with government budgeting which I believe would be an asset to this committee.

SIGNATURE: Colette Umbras DATE: 2-5-13

APPLICATION FOR APPOINTMENT TO CITIZENS
BUDGET COMMITTEE

Colette Umbras

Page 2

I have also served 6 years on the Supervisory Committee and on the Board of Directors for Point West Credit Union.

Now that I'm retired I want to continue volunteering in capacities which utilize my skills and experience. Most of my working life was at Multnomah County, where I had responsibility for staff, and for developing and managing the budget for our HR unit. In addition, I was part of the department management team and worked closely with other department staff to assist in the development of their budgets. I have worked in the Human Services Department (Mental Health, Senior and Disabled Services, Developmental Disability Services); Community Justice Department (Probation/Parole, District Attorney's Office, Juvenile Court and Detention Services); Sheriff's Office; Library Services Department; Environmental and Administrative Services Departments.

Although I do not claim to be a budget "expert", I am very familiar with most aspects of government budgeting – which I believe will allow me a quick start with this Committee. I am used to looking for ways to reduce expenses while still providing good service for taxpayer dollars.

Thank you for your consideration of this application for the Budget Committee.

11-6



APPOINTMENTS TO TRAFFIC SAFETY COMMISSION

February 6, 2013

Please be advised there is currently one (1) vacant term on the Traffic Safety Commission that expires 12/31/2015.

The Traffic Safety Commission consists of seven (7) members appointed to three year terms by the Mayor with the approval of the City Council. Applicants must be residents of the City of Gladstone.

Duties of the Traffic Safety Commission include:

- ◆ Researching, developing, and implementing traffic safety programs that meet local needs.
- ◆ Advising City Council and staff in implementing traffic safety measures.
- ◆ Promoting public acceptance of official programs.
- ◆ Coordinating with the schools to promote traffic safety.
- ◆ Helping people find solutions to their traffic safety concerns.

Notice of committee appointments was advertised in the January newsletter. As of this date applications to the Traffic Safety Commission have been received from:

- Dea Boldt, 345 W. Gloucester. Dea has lived in Gladstone for 7 years and is currently employed with AMR - Community Education and Injury Prevention and with Luna Studios Photography as an Office Manager.
- Kenneth Moore, 360 W. Clackamas Blvd, has lived in Gladstone for 20 years and is a retired Senior Trooper with the Oregon State Police Dept.

RECOMMENDATION: Appoint one of the applicants to a term on the Traffic Safety Commission that expires 12/31/15.

CITY OF GLADSTONE

APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES



- Budget Committee
- Planning Commission (Review GMC Chapter 2.28)
- Traffic Safety Comm.
- Park & Recreation Board
- Library Board (Review GMC Chapter 2.25)
- Senior Center Advisory Bd.

NAME: Kenneth D Moore

ADDRESS: 360 W Clackamas Blvd Gladstone, OR

TELEPHONE: (HOME) 503 657 8156 (WORK) NONE

EMAIL: troopermoore57@yahoo.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: About 20 years

OCCUPATION/EMPLOYER (state your specific line of business): Retired Senior Trooper, Oregon State Police 2011, Current Part-Time Photo Radar Officer, Beaverton P.D.

DESCRIBE YOUR ACTIVITIES AND INTERESTS: Boating and fishing, camping in a R.V. and hunting big game and waterfowl.

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: NONE

Have you ever applied for a Committee Position Before? YES NO

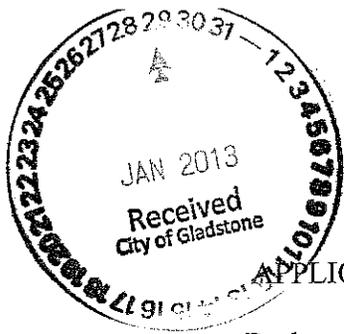
If yes, when? _____ What Committee? _____

Why would you like to serve on this Commission, Board or Committee? (Attach additional materials or information if you wish).

I have alot of life experience regarding traffic safety and believe I would be an Asset to a traffic safety committee.

SIGNATURE: K-D Moore DATE: 01-28-13

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CITY OF GLADSTONE



APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES

- Budget Committee
- Planning Commission (Review GMC Chapter 2.28)
- Traffic Safety Comm.
- Park & Recreation Board
- Library Board (Review GMC Chapter 2.25)
- Senior Center Advisory Bd.

NAME: Dea Boldt

ADDRESS: 345 W. Gloucester St. Gladstone, OR 97027

TELEPHONE: (HOME) 503 544 4631 (WORK) _____

EMAIL: dea.boldt@gmail.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 7 years

OCCUPATION/EMPLOYER (state your specific line of business): AMR - Community Education and Injury Prevention, Luna Studios Photography - Office Manager

DESCRIBE YOUR ACTIVITIES AND INTERESTS: I am passionate about child passenger safety and motor vehicle safety, injury prevention. I enjoy coordinating community events. I also love hiking, biking and jogging - anything outdoors!

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Child Passenger Safety Technician - Since 2006, Alliance for Community Traffic Safety Oregon - past member. Current member of Safe Kids Portland Metro, past member of Clackamas County Safe Communities, Clark County Safe Kids.

Have you ever applied for a Committee Position Before? YES NO

If yes, when? _____ What Committee? _____

Why would you like to serve on this Commission, Board or Committee? (Attach additional materials or information if you wish). I would like to see a Safer Gladstone, specifically in our residential areas for everyone (drivers, passengers, bikers, pedestrians). I would also like to see more emphasis on child passenger safety (ie - car seat check up events, safety fairs, school presentations)

SIGNATURE: [Signature] DATE: 1/28/13

Peter Boyce

From: David Doughman [David@gov-law.com]
Sent: Wednesday, January 23, 2013 4:46 PM
To: Peter Boyce
Cc: Heather Martin
Subject: Leased city hall building and "public improvement"

Hi Pete:

Heather mentioned you wanted an opinion regarding whether the construction of building that the city would lease for a new city hall would be a "public improvement" under Oregon law. For the following reasons, I do believe such a building would be a public improvement and it therefore would have to be publicly bid with an award to the lowest responsible bidder. As Heather has advised in a separate email, we also believe the building's construction would be subject to prevailing wages.

The main caveat to this opinion is my assumption of a few facts:

1. The city would exclusively occupy the building (or at least occupy a significant portion of the building).
2. The developer would not build the building but for the city's commitment to leasing the building.
3. The developer would recoup his construction costs through a long-term lease to the city.
4. The building's design and attributes would be specific to the city's needs (consistent with Group Mackenzie's needs assessment).

Oregon law defines a "public improvement" as "a project for construction, reconstruction or major renovation on real property by or for a contracting agency." The term does not include "[p]rojects for which no funds of a contracting agency are directly or indirectly used, except for participation that is incidental or related primarily to project design or inspection; or [e]mergency work, minor alteration, ordinary repair or maintenance necessary to preserve a public improvement. ORS 279A.010(cc).

Clearly the building would be a "project for construction" occurring on "real property." Because the statute uses the term "by or for a contracting agency" a building may still be a "public improvement" even though the agency itself (i.e. the city) does not carry on and contract for the construction of the building.

We believe a court would likely conclude that a building: (1) constructed in accordance with the city's design and its needs; (2) that would be exclusively occupied by the city; (3) whose existence would be doubtful but for the city's commitment to occupy the building; and (4) whose construction will be paid for through lease payments is a public improvement as Oregon law defines that term. Put another way, based on these assumed facts, we believe a court would conclude that the building was built "for" the city.

Therefore, the project would have to be publicly bid in accordance with ORS Chapter 279C's procedures and requirements, with an award to the lowest responsible bidder as that term is defined in ORS 279A.010(r).

I am happy to discuss this further with you and any other interested party. Please let me know if you have any questions.

Thanks,

David

David F. Doughman

BEERY ELSNER & HAMMOND LLP
1750 SW Harbor Way, Suite 380
Portland, OR 97201
t (503) 226 7191 | f (503) 226 2348
www.gov-law.com

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Please consider the environment before printing this email.

13-2

GROUP
MACKENZIE

January 15, 2013

City of Gladstone
Attention: Peter Boyce, City Administrator
525 Portland Avenue
Gladstone, OR 97027

Re: **Gladstone City Hall and Police Department**
Preliminary Cost Analysis
Project Number 2120509.01

Dear Mr. Boyce:

Following completion of the Gladstone City Hall and Police Department Needs Assessment Report, and upon your request, we have prepared and provided the following high level cost projections for two possible scenarios for new construction of an approximately 18,000 square foot City Hall and Police Department facility. Note that these scenarios are preliminary in scope and reflect Group Mackenzie's professional experience with comparable facilities completed within the past ten years. These preliminary costs have been projected as a low and high range for each option to allow for construction, design, and unforeseen project variations and are being provided for preliminary planning only.

As it pertains to the Options A and B, the following assumptions have been taken into account in the development of each option:

Construction Cost:

- Scope includes construction for the building and site improvements.
- General conditions, bonds and insurance, overhead and profit, and design contingencies are included in the general construction cost.
- Construction duration is anticipated to take 10 to 12 months for Option A. 8 to 10 months for Option B.
- Construction type for each option is anticipated to consist of a masonry exterior envelope, structural steel framing, high performance glazing and roofing systems, and high efficiency mechanical, plumbing, and electrical systems.

Consultant Cost:

- Scope includes Architectural and Engineering (A/E) design and construction fees, owner's project manager fees, and allowances for marketing materials, topography, and boundary surveys, special inspections, and geotechnical services.
- A/E fees are assumed at 8-10% of construction costs and include reimbursables at 10% of the design fees.

RiverEast Center | 1515 SE Water Avenue, Suite 100 | Portland, OR 97214

P.O. Box 14310 | Portland, OR 97293

Tel: 503.224.9560 Web: www.grpmack.com Fax: 503.228.1285

Group
Mackenzie,
Incorporated

Architecture
Interiors
Structural
Engineering
Civil Engineering
Land Use Planning
Transportation
Planning
Landscape
Architecture

Locations:

Portland, Oregon
Seattle, Washington
Vancouver, Washington

City of Gladstone
Gladstone City Hall and Police Department
Project Number 2120509.01
January 15, 2013
Page 2

- Environmental services, hazardous material surveys, commissioning, and arborists services are excluded.

Owner Cost:

- Scope includes fixtures, furniture and equipment, Police duty lockers, compact shelving, moving allowance, and/or temporary facilities costs.
- Furniture, Fixtures, and Equipment includes costs for furniture, appliances, and signage.
- Permit fees have been excluded at the request of the City.
- LEED, commissioning, environmental impact charges, Bond fees, and off-site improvements are excluded.

Land Cost:

- Both options are on City owned property resulting in no additional cost.

The Low / High Estimate assumptions include:

- 10 % / 15% design contingency
- 1 % / 2% of construction cost for the owner's project manager
- 4 % / 6% contractor general conditions
- 1 % / 2% construction escalation

Option A: Existing City Hall and Police Department Site

Option A revolves around the evaluation of the existing 9,918 square foot, two-story City Hall and Police Department located at 525 Portland Avenue. The site itself is limited to the building foot print and five adjacent surface parking stalls currently utilized for police patrol vehicles. City Staff, Police, and the public are required to utilize street parking.

Based on the January 2, 2013 Needs Assessment Report, this option has been evaluated for a 18,000 square foot combined facility that would consist of demolition of the existing building and construction of a new facility. Due to the site constraints the new facility would comprise of a two and a half to three story structure over one level of surface parking that would be utilized to provide secure parking for police patrol and operations vehicles. Due to city zoning restriction for height allowances to exceed 35 feet would require a variance or exception. Based on the approximate size of the site and dependent on design developments, it is anticipated that the site could potentially house 15 to 20 parking stalls.

As part of this option the existing building would be demolished to allow for new construction. Due to the age of the existing facility it is highly probable that hazardous construction materials exist and would require remediation at the time of demolition. In addition, during demolition and construction of the new facility, City and Police staff and operations would be required to relocate and operate out of temporary facilities for duration of approximately 10 to 12 months.

City of Gladstone
Gladstone City Hall and Police Department
Project Number 2120509.01
January 15, 2013
Page 3

Advantages to maintaining City services at the existing site include the following.

- The site is City owned
- Maintaining City services within the downtown core
- Preserving community way finding for City services
- Site is flat and requires minimum site development
- Site contains required utilities necessary
- Site is located on a corner and is visually prominent
- Police emergency facilities are directly adjacent the Fire Department

Disadvantages to maintaining City services at the existing site include the following.

- The site is limited in size and cannot support the required parking needs of Police, City Staff, or the public without building on top of parking.
- Site restraints will require construction of a two and a half story facility to accommodate projected square footage growth, which increases construction cost.
- In order to accommodate and secure a portion of Police operational vehicles, the ground level will need to consist of below structure parking. This would begin to segregate Police and City functions with the upper stories and reduce effective public engagement, while increasing construction costs.
- The available floor plate size would require that the Police Department be split between floors, which can negatively affect operations.
- City staff and police operations would have to relocate and operate out of temporary facilities during demolition and construction. This will increase owner expenditures, while also disrupting public interaction.

Option A: Preliminary Costs

	<u>LOW</u>	<u>HIGH</u>
Construction Costs:	\$5,535,799	\$6,518,432
Consultant Costs:	\$603,234	\$931,241
Owner Costs:	\$381,188	\$542,344
Land Costs:	\$0	\$0
Total Project Costs Range:	\$6,520,221	\$7,992,017

Option B: Webster Site

Option B revolves around the evaluation of the City owned property located at North of 18275 Webster Road. The site itself appears to be large enough to support a single story facility with surface parking. Dependent on continued development for the library, there may be opportunities to co-locate facilities within the single site and share staff and public parking demands.

As with Option A, this option has been evaluated for 18,000 square foot combined facility that would consist of new construction of a new City Hall and Police Department. Due to the available site it is recommended that a single story facility with surface parking be evaluated to reduce development costs. It is recommended that the site, if further considered, be master planned to house the City Hall, Police Department, and Library on a single site. As part of this option, development of a new building on the Webster site would allow existing City Hall and Police Department operations to continue uninterrupted during construction.

Advantages to development on the Webster site include the following.

- The site is City owned
- Site is undeveloped and allows for optimized design and site development options
- Size of site can allow for a single story facility with surface parking, which reduces development costs.
- If the library is maintained on the site and co-located, there would be an opportunity to create a civic center with shared parking
- City and Police operations can be maintained during the construction duration at current location

Disadvantages to development on the Webster site include the following.

- Relocation of City Hall and Police Department functions to the Webster site removes city functions from the city core.
- Prior library design development has progressed to a level that may require design modifications to allow for co-location of City Hall and Police Department onsite.
- Based on preliminary data provided on the site, the site will present construction challenges and potential cost premiums due to existing bedrock.
- The site is home to areas of substantial topography, which will limit development opportunities and potentially increase construction costs.

City of Gladstone
Gladstone City Hall and Police Department
Project Number 2120509.01
January 15, 2013
Page 5

Option B: Preliminary Costs

	<u>LOW</u>	<u>HIGH</u>
Construction Costs:	\$4,329,446	\$5,198,726
Consultant Costs:	\$481,725	\$756,351
Owner Costs:	\$311,672	\$443,834
Land Costs:	\$0	\$0
Total Project Costs Range:	\$5,122,843	\$6,398,911

We are pleased to provide continued assistance to the City of Gladstone. If you have any questions or require further assistance please don't hesitate to request our services.

Sincerely,



Jeff R. Humphreys, Architect
Associate Principal

**OBERSON PROPERTY - GLADSTONE
LOST REVENUE EVALUATION**

	VALUE \$	VALUE MULTIPLIER	ASSESSED TAXES	LOST REVENUE
Assessed Value (AV)	\$ 420,062			\$ 108,905
Purchase Price	\$ 3,100,000	7.38 Times More Than AV	\$ -	\$ 803,719
At \$545,454 / acre	\$ 6,000,000	14.28 Times More Than AV	\$ -	\$ 1,555,165
Add \$6,000,000 Building	\$ 12,000,000	28.56 Times More Than AV	\$ -	\$ 3,110,327
City of Gladstone	\$ 26,676.09			
City of Gladstone LOC Opt.	\$ 5,455.30			
UR Gladstone	\$ 5,727.98			
UR Gladstone SP	\$ 341.95			
TOTALS	\$ 38,201.32	28.56 Times More		\$ 1,091,029.70

Information from
Kevin Johnson

Information from
Kevin Johnson

OBERSON PROPERTY - GLADSTONE
VALU & TAXING DISTRICT ANNUAL SUMMARIES

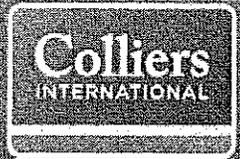
August

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
Market Value	\$ 455,150.00	\$ 476,622.00	\$ 489,504.00	\$ 496,091.00	\$ 523,855.00	\$ 571,088.00	\$ 625,908.00	\$ 850,191.00	\$ 876,024.00	\$ 790,139.00	\$ 631,252.00	\$ 601,194.00	\$ 601,194.00	\$ 617,708.00
Assessed Value	\$ 376,745.00	\$ 388,048.00	\$ 399,689.00	\$ 411,680.00	\$ 424,031.00	\$ 436,751.00	\$ 449,653.00	\$ 463,348.00	\$ 477,247.00	\$ 492,064.00	\$ 506,311.00	\$ 521,500.00	\$ 537,145.00	\$ 420,062.00
Tax Rate/Thousand	\$ 17.89	\$ 17.92	\$ 16.68	\$ 16.69	\$ 16.94	\$ 16.94	\$ 16.94	\$ 19.44	\$ 19.47	\$ 20.03	\$ 20.16	\$ 20.00	\$ 20.00	\$ 20.07
TAXING DISTRICT														
School Gladstone	\$ 1,611.35	\$ 1,887.86	\$ 1,827.29	\$ 1,871.79	\$ 1,914.71	\$ 1,969.97	\$ 2,028.99	\$ 2,086.19	\$ 2,147.37	\$ 2,213.07	\$ 2,279.84	\$ 2,344.45	\$ 2,395.49	\$ 26,771.77
ESD Gladstone	\$ 137.28	\$ 143.08	\$ 135.18	\$ 138.57	\$ 141.88	\$ 145.92	\$ 151.78	\$ 155.92	\$ 160.06	\$ 165.47	\$ 169.93	\$ 175.43	\$ 179.20	\$ 1,899.65
Comm Coil Glad	\$ 207.82	\$ 216.62	\$ 203.44	\$ 208.60	\$ 213.54	\$ 219.86	\$ 229.52	\$ 235.84	\$ 242.16	\$ 248.88	\$ 255.74	\$ 264.19	\$ 269.75	\$ 3,015.96
City Gladstone	\$ 1,814.93	\$ 1,869.39	\$ 1,817.55	\$ 1,862.56	\$ 1,906.52	\$ 1,961.71	\$ 2,019.93	\$ 2,077.56	\$ 2,138.60	\$ 2,203.68	\$ 2,264.93	\$ 2,335.01	\$ 2,403.72	\$ 26,076.09
City Gladstone Loc Opt	\$ 308.22	\$ 306.05	\$ 288.53	\$ 287.85	\$ 419.79	\$ 432.39	\$ 445.36	\$ 458.71	\$ 472.47	\$ 486.64	\$ 501.24	\$ 516.28	\$ 531.77	\$ 5,655.30
Co Ext & 4-H														\$ 94.14
County Library														\$ 700.48
Port of Portland	\$ 26.40	\$ 27.21	\$ 25.78	\$ 26.47	\$ 27.10	\$ 27.86	\$ 28.93	\$ 29.75	\$ 30.59	\$ 31.51	\$ 32.36	\$ 33.48	\$ 34.49	\$ 381.93
Clark County LC	\$ 905.77	\$ 932.95	\$ 907.09	\$ 929.58	\$ 951.48	\$ 979.03	\$ 1,008.07	\$ 1,036.88	\$ 1,067.32	\$ 1,098.77	\$ 1,130.35	\$ 1,165.29	\$ 1,199.50	\$ 13,213.08
County Pub Safety Loc Opt														\$ 133.21
County Sols														\$ 24.11
UR County														\$ 20.28
UR Gladstone	\$ 36.39	\$ 37.49	\$ 38.20	\$ 47.69	\$ 462.48	\$ 482.00	\$ 500.06	\$ 522.10	\$ 540.11	\$ 566.43	\$ 602.21	\$ 610.06	\$ 632.54	\$ 5,727.98
Metro	\$ 2.45	\$ 2.53	\$ 2.45	\$ 2.51	\$ 2.59	\$ 2.66	\$ 2.74	\$ 2.83	\$ 2.91	\$ 2.95	\$ 3.04	\$ 3.19	\$ 3.28	\$ 36.13
Vector														\$ 97.11
Vector LO	\$ 62.74	\$ 65.23	\$ 53.08	\$ 52.32	\$ 54.19	\$ 56.31	\$ 44.81	\$ 30.77	\$ 35.13	\$ 58.30	\$ 59.95	\$ 53.46	\$ 58.55	\$ 686.84
UR County SP	\$ 122.78	\$ 219.17												\$ 341.95
UR Gladstone SF	\$ 1.35	\$ 0.24												\$ 1.59
Port of Portland Bond	\$ 23.13	\$ 117.78	\$ 74.46	\$ 75.10	\$ 92.87	\$ 91.19	\$ 75.03	\$ 83.17	\$ 86.90	\$ 78.99	\$ 73.21	\$ 65.87	\$ 77.30	\$ 1,015.00
Clark Comm Coil Bond	\$ 810.60	\$ 834.80	\$ 783.35	\$ 817.68	\$ 826.48	\$ 835.33	\$ 908.30	\$ 1,904.03	\$ 1,986.64	\$ 2,069.34	\$ 2,218.96	\$ 2,286.42	\$ 2,359.68	\$ 18,641.61
Sch Gladstone Bond	\$ 91.73	\$ 88.21	\$ 86.13	\$ 72.33	\$ 71.56	\$ 73.80	\$ 74.68	\$ 147.11	\$ 137.31	\$ 160.24	\$ 150.73	\$ 107.79	\$ 157.07	\$ 1,400.91
SPZ Metro Bond	\$ 50.67	\$ 53.24	\$ 45.17	\$ 40.35	\$ 42.24	\$ 46.90	\$ 39.99	\$ 35.14	\$ 34.84	\$ 36.48	\$ 40.25	\$ 27.64	\$ 27.64	\$ 485.81
Trans Trinet Bond	\$ 296.25	\$ 153.07												\$ 452.27
Sny A Tricky Bond														\$ 109,805.52
TOTAL TAXES LEVIED														\$

Information from
Kevin Johnson

Property values of the 400 block of E. Portland Ave. and 115 E. Dartmouth

	Market value	Assessed value
415 Portland Ave	\$178,252	\$163,052
439 Portland Ave	\$108,662	\$99,287
455 Portland Ave	\$84,608	\$77,067
465 Portland Ave	\$71,226	\$65,202
115 E. Dartmouth	\$139,958	\$127,626
<hr/>		
Total	\$582,706	\$532,234



Webster & Oatfield Land

SE Webster Road & SE Oatfield Road
Gladstone, Oregon, 97027

SUMMARY APPRAISAL REPORT

Date of Report: January 29, 2013

Colliers File #: C130123



PREPARED FOR
Jolene Morishita
City of Gladstone
525 Portland Avenue
Gladstone, OR 97027

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

13-11

LETTER OF TRANSMITTAL

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**



110 SW Yamhill Street, Suite 200
Portland, OR 97204

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FAX +1 503.273.4273
WEB www.colliers.com

January 29, 2013

Jolene Morishita
City of Gladstone
525 Portland Avenue
Gladstone, OR 97027

RE: Webster & Oatfield Land
SE Webster Road & SE Oatfield Road
Gladstone, Oregon, 97027

Colliers File #: C130123

Dear Ms. Morishita:

This appraisal report is intended to satisfy the scope of work and requirements agreed upon by City of Gladstone and Colliers International Valuation & Advisory Services. The date of this report is January 29, 2013. At the request of the client, this appraisal is presented in a summary appraisal format as defined by USPAP Standards Rule 2-2(b). This format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	January 11, 2013	\$3,370,000

The subject is vacant Commercial Land totaling 15.47 acres located at SE Webster Road & SE Oatfield Road, Gladstone, Oregon, 97027.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon our interpretation of the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinions of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as this use might have affected the assignment results.

13-12

LETTER OF TRANSMITTAL

CONTINUED

C130123

EXTRAORDINARY ASSUMPTIONS

No Extraordinary Assumptions were made for this assignment.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

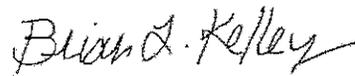
The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

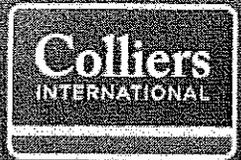


Aaron Taylor
Senior Valuation Specialist
Certified General Real Estate Appraiser
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Brian Kelley, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
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503.542.5412
brian.kelley@colliers.com

13-13



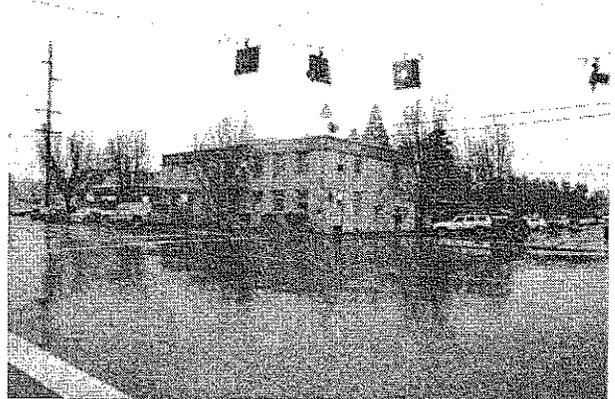
GLADSTONE CITY HALL OFFICE BUILDING

525 Portland Avenue
Gladstone, Oregon 97027

SUMMARY APPRAISAL REPORT

Date of Report: January 28, 2013

Colliers File #: C121378



PREPARED FOR
Jolene Morishita
City of Gladstone
525 Portland Avenue
Gladstone, Oregon 97027

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

13-14

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES



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Portland, OR 97204 USA
MAIN +1 503 226 0983
FAX +1 503 273 4273
WEB www.colliers.com

January 28, 2013

Jolene Morishita
City of Gladstone
525 Portland Avenue
Gladstone, Oregon 97027

RE: City Hall Office Building
525 Portland Avenue
Gladstone, Oregon 97027

Colliers File #: C121378

Ms. Morishita:

This appraisal report is intended to satisfy the scope of work and requirements agreed upon by the City of Gladstone and Colliers International Valuation & Advisory Services. At the request of the client, this appraisal is presented in a Summary appraisal format as defined by USPAP Standards Rule 2-2(b). This format provides a summary description of the appraisal process, subject and market data, and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value that is developed within this appraisal report.

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	January 7, 2013	\$370,000

The subject consists of the Gladstone City Hall office building which totals 10,138 SF NRA and is located on a 0.21 acre site at 525 Portland Avenue in Gladstone, Oregon. The subject property is 100% owner occupied by the City of Gladstone and is described in greater detail within the attached report.

It should be noted the improvements are currently in a poor to fair condition and asbestos is present. This appraisal applies estimated costs to cure the deferred maintenance and asbestos remediation or containment as no cost estimates were available.

The analyses, opinions, and conclusions communicated within this appraisal report were developed based upon our interpretation of the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics, and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinions of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as this use might have affected the assignment results.

13-15

EXTRAORDINARY ASSUMPTIONS

The Clackamas County Department of Assessment reported that a portion of the subject improvements are located on the parcel adjacent to the northwest; therefore, this appraisal is subject to the extraordinary assumption that a lot line adjustment would be made so the subject improvements would be located on one site only. Additionally, this appraisal is subject to the extraordinary assumption that costs estimated to cure deferred maintenance and either contain or remediate the asbestos are accurate (\$60/SF). If the preceding assumptions are inaccurate, it could have an impact on the estimated market values, and modification to the analysis and conclusions may be warranted.

HYPOTHETICAL CONDITIONS

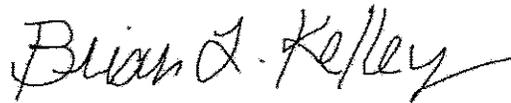
No Hypothetical Conditions were made for this assignment.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**

Jeff Buono
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jeff.buono@colliers.com



Brian Kelley, MAI
Certified General Real Estate Appraiser
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13-14

City of **GLADSTONE**



January 18, 2013

Mr. Steve Wheeler, County Administrator
Clackamas County
2051 Kaen Road
Oregon City, OR 97045

Mr. Wheeler,

Please consider this correspondence the City's response to your letter dated December 12, 2012 regarding the status of library capital funds. The City of Gladstone respectfully requests an eighteen month period in which it would retain the \$1.5 million in order to evaluate options regarding a library building project and our commitments as outlined in the intergovernmental agreement. The City has expended great time, effort and resources in a good faith effort to bring enhanced library services to the citizens in both the Gladstone and Oak Lodge service areas. I would like to meet with you and discuss this request in more detail. Thank you for your consideration.

Sincerely,

Pete Boyce
City Administrator

cc: City Council
City Attorney

City Hall
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5223
FAX: (503) 650-8938
E-Mail: (last name)@
ci.gladstone.or.us

Municipal Court
525 Portland Avenue
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E-Mail: municourt@
ci.gladstone.or.us

Police Department
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E-Mail: (last name)@
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Fire Department
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Senior Center
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(503) 655-7701
FAX: (503) 650-4840

City Shop
18595 Portland Avenue
Gladstone, OR 97027
(503) 656-7957
FAX: (503) 722-9078



STEVE WHEELER
COUNTY ADMINISTRATOR

OFFICE OF THE COUNTY ADMINISTRATOR

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

December 12, 2012

Mr. Peter Boyce, City Manager
City of Gladstone
525 Portland Ave.
Gladstone, OR 97027

Mr. Boyce:

This letter is regarding the status of library capital funds provided to the City of Gladstone. On November 6, 2012, ballot measure 3-413 was put before Gladstone voters to consider whether to authorize the City to incur debt to build a new library. The initiative was defeated and the citizens decided not to incur debt to build a library facility which would have served City and unincorporated residents.

When the Library District of Clackamas County was formed in 2008, the parties entered into two intergovernmental agreements regarding the construction of a new Gladstone Library to serve the citizens of Gladstone and unincorporated citizens in the Oak Grove service area. The agreement between the District and the City (the "District IGA") called for transition payments using District funds that would otherwise have supported the Oak Lodge Library's operations, and the agreement between the City and Clackamas County (the "County IGA") provided for capital contributions intended to help with the cost of constructing the new Gladstone Library in lieu of capital improvements to the Oak Lodge Library. On March 28, 2011 the City of Gladstone requested \$2.5 million for library planning and construction.

As part of the Library District formation negotiations in 2008, the County agreed to give each library city in Clackamas County one million dollars for capital projects. Given the planned expansion of the Gladstone Library to serve the area currently served by the Oak Lodge Library, the County agreed to the City's request for additional funding.

To fund the District IGA, the Oak Lodge Library limited spending in order to provide Gladstone with money for the construction project by delaying efforts to bring the Oak Lodge Library up to the District IGA-agreed OLA standards. In the first two years of the District, Oak Lodge saved \$500,000 of operational funds. In April 2011, the County distributed \$500,000 in transition payments to the City of Gladstone for the construction of their future library.

14-2

It is our view that, as with every other Library City, Gladstone is entitled to expend their original \$1,000,000 capital contribution on its own library without expanding its service area. As the County IGA and District IGA show, the additional \$1.5 million provided to the City were in support of and conditioned on a new library that would expand the level of service to include areas of unincorporated Clackamas County that are currently being served by the Oak Lodge Library. Ballot measure 3-413 puts that plan in grave doubt.

Therefore, the County requests the City return \$1 million of the \$2 million capital contribution provided by the County and the District requests that the City return the \$500,000 transition payment. Per the County IGA, \$1 million shall be deposited into the County Library Fund to support the Oak Lodge Library, and per the District IGA the \$500,000 shall be deposited into the Library District fund.

One of the key themes of the District IGA was guaranteeing autonomy for each Library City, including Gladstone, regarding the operation of its library. The County and the District respect the decision of the City and its voters, and view the return of these funds as a reset based on the decisions arising from that autonomy.

The District looks forward to working with the City and the District Advisory Committee to find the best path forward in providing quality library service to both City and unincorporated residents in the affected service areas.

Sincerely,



Steve Wheeler
Clackamas County Administrator

cc: Gary Barth
Doris Grolbert
Laurel Butman

143

COUNCIL LIAISON APPOINTMENTS*
May 8, 2012

Volunteer Fire Department, (meets first Wednesday each month)	Councilor Hal Busch Councilor Len Nelson
Senior Center Advisory Board, (meets quarterly, in the afternoon)	Councilor Walt Fitch
Park and Recreation Board, (meets infrequently)	Councilor Kari Martinez
Traffic Safety Commission, (meets infrequently)	Councilor Kari Martinez
Library Board (meets first Tuesday each month)	Councilor Tom Mersereau
Business & Civic Liaison	Mayor Wade Byers Councilor Walt Fitch
Public Works, Regional Issues	Councilor Ray Jaren
C-4, Clackamas County Coordinating Committee	Mayor Wade Byers Councilor Hal Busch
Emergency Management Committee	Councilor Len Nelson

*Does not preclude any City Council member from being involved in areas when they have an interest.

City of **GLADSTONE**

Date: February 6, 2013

To: Mayor Byers and City Council

From: Pete Boyce, City Administrator 

Re: Chautauqua – City Participation

Staff is preparing to negotiate an agreement with the Chautauqua Committee in order to formalize the relationship between the two parties in regard to the annual Chautauqua Festival. Staff has estimated City expenses related to the 2012 Chautauqua Festival in the attached document. The negotiation will proceed under the assumption that City Council would like to see the City participate near current levels of support unless otherwise advised.

City Hall
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City Shop
18595 Portland Avenue
Gladstone, OR 97027
(503) 656-7957
FAX: (503) 722-9078

City of Gladstone Approximate Chautauqua Expenses 2012

Fire Department

Approximate personnel costs: \$2,044.22

Supplies: \$1,100

Police Department

Approximate personnel costs: \$588.39

Library

No Costs

Senior Center

Approximate personnel costs: \$493.48

Public works

Approximate personnel costs: \$1022.96

Administration

Approximate personnel costs: \$4887.11

Supplies: \$280.35

Advertising: \$950.00

Total approximate expenses: \$11,366.51

16-2

City of GLADSTONE

Date: February 6, 2013

To: Mayor Byers and City Council

From: Pete Boyce, City Administrator *PB*

Re: City Council Guidebook

City Councilor Martinez has indicated that she will be submitting some suggested changes to the guidebook by Friday February 8, 2012. I will e-mail the information when it is received.

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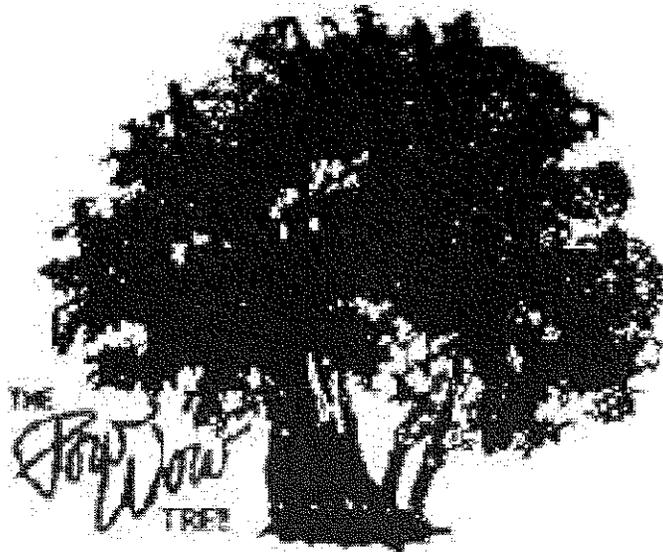
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Council Guidebook

City of Gladstone, Oregon



COUNCIL GUIDEBOOK

City of Gladstone, Oregon

This Guidebook was adopted by the Gladstone City Council at a public meeting. The Guidebook is intended to be a working document that is a guide for Council actions and practices. It is expected that the same laws, policies and ways of doing business will change over time and that this Guidebook will be amended.

The most current, signed version of the Council Guidebook is filed with the Gladstone City Clerk. A copy is posted on the City of Gladstone website under the City Government/ City Council section,

Gladstone, Oregon - City Council Guidebook

Approved: January 13, 2013 - DRAFT

Amended:

Amended:

Amended:

Signed:

Wade Byers, Mayor

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FORWARD

In the course of serving as a public official, you will become involved with many issues. This manual attempts to centralize information on common practices related to local government and your role as a member of the Gladstone City Council. The guidelines and issues addressed in this publication are often complex and subjective.

Use this guide only as a reference; it is not intended to establish law. Many formal policies that impact the City Council are included in the Appendices. However, it is not possible for this guide to incorporate all materials and information necessary for undertaking Council business. Many other laws, plans, and documents exist which bind the City Council to certain courses of action and practices.

This guide is intended to be a helpful resource, and should not be used as a substitute for the guidance or opinion of the City Attorney.

Information contained in this guide will be reviewed by the City Council as needed, or every two years in conjunction with orientation for the new City Council members.

While many laws and documents lead the way, the City Council has taken on a City Mission, Vision and Value Statement to assist in developing and making decisions.

City Mission Statement

The city government of Gladstone provides active planning and implementation to support a high quality of life for our community.

We do that by:

- Communicating and working cooperatively with the citizens
- Controlling costs through training, contractual work, careful budgeting and managing administrative expenses
- Supporting and diversifying funding for city services including parks, libraries, public safety, the senior center and utilities
- Using volunteers and citizen committees effectively
- Promoting good customer service
- Building collaborations with federal, state and county organizations

City Vision Statement

Gladstone attracts those who enjoy our parks, rivers, recreational trails, local history and culture. Visitors have a diverse, small town shopping experience, special places to dine, and an opportunity to enjoy the local history and culture of this historic community during their stay.

Gladstone is a place where community members are comfortable, safe, raise families, work, and play in a friendly atmosphere. The schools are vibrant with curious students and dedicated teachers. Sidewalks and cross walks are clean, well lit and safe, with beautiful sustainable landscaping, and easy access to pedestrian shopping.

Public transit connects local and regional commercial areas to residential areas while providing diversity with a strong tax base. Our citizens know that a prosperous economy results in a sustainable healthy environment.

The community has a “small town” feel, with access to diverse local goods and services so people don’t have far to drive for convenience items. In the evening, downtown is bustling with diners eating and drinking while overlooking our river vistas. One can join friends and neighbors in a setting surrounded by sustainable garden planting demonstrating pride of ownership. Old and new buildings blend to make the downtown interesting and dynamic. The two-rivers setting inspires small business development that is unique and specialized – offering an unusual shopping experience. Gladstone is for everybody!

City Values Statement

The council and staff of the City of Gladstone believe our priority is to be transparent in our work and fiscally responsible with public monies. We hold dear our pride in the volunteers that give time and effort into making this community more beautiful, sustainable and culturally rich. We respect and trust our community organizations and governmental partners that keep us diverse, and we value and cherish the unfiltered debate between citizens, city staff and city government over challenges and opportunities that come our way. We appreciate how citizens advocate to others about this place we call home.

FREQUENTLY ASKED QUESTIONS

What is the Consent Agenda? (See 2-25)

How do I place something on the agenda? (See 2-17 thru 2-23 Sections re: the meeting process)

How specific should motions be? (See Parliamentary Procedures in Appendix B)

How does an Executive Session get scheduled? (See 2-32 Executive Sessions)

What happens to an item once it is referred to a committee? (See-3-5 What happens to an item once it is referred to an advisory board or Committees?)

How do I know if a letter addressed to the full Council has been responded to? (See Chapter 7 the Communications chapter)

How much staff time can I use for policy research? (See Chapter 4 - Interaction with City Staff & Officials)

18-9

CHAPTER 1 - INTRODUCTION AND OVERVIEW

As a Gladstone City Council member, you establish important and often critical policies for the community. You are also a board member of a public corporation with an annual budget in the millions of dollars. State laws and local ordinances grant the powers and the responsibilities of the Council. New Council members learn early that on the scope of services and issues addressed by the city organization go well beyond those frequently reported in the newspaper or discussed at City Council meetings. In addition, the City Council is subject to certain City of Gladstone Administration Guidelines, of which the applicable guidelines are included in Appendix A of this document.

1-1 History of Gladstone City Government

According to history, Judge Cross formally incorporated his city on January 10, 1911 and Oscar C. Freytag became its first Mayor. In the early years a Councilor was known as an Alderman. Since 1911, there have been 132 persons on record as being Mayors or Council members thru 2012. Since that time there has been a Mayor and six Council/Alderman members. Mayor Wade Byers has been in office since 1979 – Present. He started as a Councilor a couple of years prior to becoming Mayor.

1-2 Council-Administrator Form of Government

The chief characteristic of this form is that the council appoints a qualified professional person as an administrator to take charge of the daily supervision of city affairs. The administrator serves at the pleasure of the council.

An absolute separation between policy and administration does not really exist in city government. However, the councilor-administrator plan works best when the council exercises its responsibility for policy leadership and respects the administrator's leadership role and responsibility of administration.

The Council members shall not give orders to city employees. If any of the Councilor's think differently than how something is done and/or is handled, they will work the specific issue(s) with the City Administrator of which he or she will handle as they see fit.

It is also understood that City Council members will not attempt to influence or coerce the City Administrator with respect to appointments, purchasing, or other matters. However, the charters do not prohibit the council from discussing administrative matters with the Administrator in open meetings.

1-3 Orientation of New Members

It is important for the members of the City Council to gain an understanding of the full range of services and programs provided by the City. As new members join the City Council, the City Administrator and Department heads will host an orientation program that provides an opportunity for members to tour municipal facilities and meet with key staff.

At any time, if there are facilities or programs about which you would like more information, please make arrangements through the City Administrator and Department heads to increase your awareness of these operations.

1-4 Overview of Basic City Documents

The link to some documents is through the Cities website at <http://www.ci.gladstone.or.us>.

The other documents that affect this Gladstone City Council Guidebook are noted in Appendix A and Appendix B.

Appendix A covers those documents that are controlled/written generally by Gladstone City staff or Attorney(s) and were approved, by the Gladstone City Council.

Appendix B covers documents that were written and approved by the State of Oregon or League of Oregon Cities.

1-5 Gladstone Municipal Code (GMC)

The Gladstone Municipal Codes starts with a Table of Contents with the Cities Charter and Charter Index and Titles thereafter from one thru the end, of which there is an Index and Tables that provides an Ordinance List and Disposition Table to assist in finding the specific item/code that you are looking for.

The Cities Charter covers how the city is governed while Titles and codes thereafter break down specifics for the Titles listed.

1-6 City Administrative Guidelines

The City's Administrative Guidelines are personnel policies developed by the City Administrator and his/her staff and Department Heads. The Gladstone Personnel Handbook is a composite of these guidelines and its use is approved by the City Council.

These guidelines as applicable to the City Council are included in Appendix A of this document.

1-7 Comprehensive Plan

A Comprehensive Plan is a long-range general policy guide in which a municipal government sets forth its major policies concerning desirable future development over a period of fifteen to twenty years.

The Gladstone Comprehensive Plan includes two Sections. The first covers the Goals, Objectives, Policies and Implementation Strategies. This section was originally completed in 1979 and has been updated four times since, October 2006 being the last.

The second section covers Inventory and Analysis and was completed in April of 1979.

1-8 Annual Budget

The annual budget is the primary tool and road map for accomplishing the goals of the City. The budget document is the result of one of the most important processes the City undertakes. By adopting the annual budget each June, the City Council makes policy decisions, sets priorities, allocates resources, and provides the framework for governmental operations.

The City of Gladstone and Gladstone Urban Renewal budget is estimated by the City Administrator. A packet of material is reviewed and approved by the Budget Committee and City Councilors prior to each fiscal year end. The Fiscal Year for Gladstone is July 1st - June 30th.

CHAPTER 2 - GLADSTONE CITY COUNCIL: GENERAL POWERS AND RESPONSIBILITIES

2-1 Overview

Fundamentally, the powers of the City Council are to be utilized for the good of the city and its residents; to provide for the health, safety and general welfare of the citizenry. Accordingly, the City of Gladstone values personal honesty and integrity, open and accessible government, fiscal responsibility, fair treatment of individuals and a customer service emphasis in an organization.

It is important to note that the Council acts as a body. No member has any extraordinary powers beyond those of other members. While the Mayor has some additional ceremonial and presiding officer responsibilities as described below, when it comes to establishing policies, voting, and in other significant areas, all members are equal.

Policy is established by at least a majority vote of the Council. While individual members may disagree with decisions of the majority, a decision of the majority does bind the Council to a course of action. Council members should respect adopted Council policy.

It is the City Administrator's responsibility to ensure the policy of the Council is enacted. Actions of staff to pursue the policy direction established by a majority of Council do not reflect any bias against Council members who held a minority opinion on an issue.

2-2 Council Non-Participation in Administration

The City Council is the legislative branch of Gladstone City Government, and the City Administrator and his/her staff are the executive/administrative branch. In order to uphold the integrity of the council-administrative form of government, and to provide proper checks and balances, members of the City Council refrain from becoming directly involved in the administrative activities; as previously noted in the Council-Administrator Form of Government subject matter.

2-3 Council Non-Participation in Judicial Matters

The Municipal Court Judge is appointed by the Council.

The City Administrator, Municipal Court judge, and the City Attorney, staff and Council may not interfere with judicial processes or decisions. Furthermore, the City Council has no policy direction over judicial matters.

2-4 Role of Council Members

Members of the Gladstone City Council are collectively responsible for establishing policy, adopting an annual budget, providing vision and goals, and hiring and supervising the City Administrator, Municipal Court judge, and the City Attorney. The following outline is a brief description of the various duties of Council members. The description is not intended to be comprehensive, but rather it is an effort to summarize the primary responsibilities of the Council.

Obligatory Duties

Summary of Council duties and responsibilities as established by the City Council while staying within the Cities Charter as set forth by the Gladstone Municipal Code (GMC.)

2.4.1 Establish Policy

- 2.4.1.1 Adopted goals and objectives
- 2.4.1.2 Establish priorities for public services
- 2.4.1.3 Approve and/or amend the operating and capital budgets
- 2.4.1.4 Approve intergovernmental agreements and contracts
- 2.4.1.5 Adopt resolutions

2.4.2 Enact Local Laws

- 2.4.2.1 Adopt ordinances

2.4.3 Supervise Appointed Officials

- 2.4.3.1 Appoint City Administrator, Municipal Court judge, and the City Attorney,
- 2.4.3.2 Evaluate performance of City Administrator, Municipal Court judge, and the City Attorney,
- 2.4.3.3 Establish advisory boards and commissions
- 2.4.3.4 Make appointments to advisory bodies
- 2.4.3.5 Provide direction to advisory bodies

2.4.4 Decide annually which Council members will serve on outside boards, councils, commissions or committees.

2.4.5 Call special elections when necessary

Council's Role in the Community

Summary of implied or traditional Council duties and responsibilities

2.4.6 Provide Public Leadership

2.4.6.1 Relate wishes of constituents to promote representative governance

2.4.6.2 Mediate conflicting interests while building a consensus

2.4.6.3 Communicate the City's vision and goals to constituents

2.4.6.4 Represent the City's interest at regional, county, state, and federal levels

2.4.7 Decision-Making

2.4.7.1 Study problems

2.4.7.2 Review alternatives

2.4.7.3 Determine best course of public policy

2-5 City Department Operations and Public Policies

The City has several departments that have an impact on how the City operates. It is the desire of the City Council to have an operational and public policy for each department that falls within the framework of this Guidebook. The Departments within this framework include:

2.5.1 City Administration

2.5.1.1 Personnel Handbook – Goal January 2013

2.5.2 Police Department

2.5.2.1 *Public Policy on Policing for the City of Gladstone, Jan. 2010*

2.5.3 Fire Department

2.5.3.1 Waiting – (In process)

1845

2.5.4. Public Works

2.5.4.1 Waiting – (In process)

2.5.5 Library

2.5.5.1 Waiting – (In process)

2.5.6 Senior Center

2.5.6.1 Waiting – (In process)

The City Council will ensure that departmental operations and public policies are made and enforced. The City Council will also make certain that policies are reviewed by each department on a minimum of five years and updated as appropriate.

2-6 Representation on Council Committees, Commissions and Boards

The Gladstone City Council has established six (6) standing committee, by the City ordinance. The committees are named accordingly:

2.6.1 Budget Committee

The Budget Committee consists of the seven (7) members of the City Council and an equal number of citizens at large. Appointments are made by the City Council for three year terms, which are staggered so that about one-third of appointed terms end each year (Chapter 294 of the Oregon Revised Statutes.) Usually in early spring, the Budget Committee receives a copy of the proposed budget and the budget message. When the Committee is satisfied with the proposed budget, including any additions to or deletions from the one prepared by the budget officer, it is approved. The budget is then referred to the City Council and Urban Renewal Agency for Public Hearings prior to adoption, appropriations and levying of taxes. In recent years, the Budget Committee has discharged its duties in one Tuesday evening meeting, although additional meetings may be called.

Budgets from prior years are shown on the City's website
<http://www.ci.gladstone.or.us>

2.6.2 Library Board

The Library Board consists of five (5) members who are not officers or employees of the city and are appointed by the City Council to four (4) year terms. Members are eligible for re-appointment to a second four year consecutive term, staggered so that there will always be holdover members. The Board meets monthly on fourth Tuesday evenings.

Each Board member shall have one (1) vote. The Library Director shall sit with the Board and take part in its discussions or deliberations, but shall have no vote on any matter to come before the Board. The Mayor also appoints with the approval of the City Council, a liaison from the City Council that does not have a vote.

The Board makes recommendations to the City Council regarding prospective Board members based on review of a standard application form(s) and possible personal interview(s) when vacancy(s) occur. The Mayor and City Councilors make the final approval of applicants (Resolution No. 618 including the Bylaws.)

Duties include:

- 2.6.2.1 Advise the Library Director on policy matters pertaining to the Gladstone Public Library.
- 2.6.2.2 Assist in the formulation of policies for the operation and development of library services and facilities to best meet the current and long-standing needs of the community.
- 2.6.2.3 Make recommendations to the City Council regarding matters as outlined above.
- 2.6.2.4 Recommend to the City Council prospective Board members based upon review of a standard application form and possible personal interview as Board vacancies occur.
- 2.6.2.5 Serve as an autonomous body to represent the needs, interests, and desires of the entire service area of the library.

2.6.3 Parks and Recreation Board

The Parks and Recreation Board, consists of nine (9) members. One (1) member shall be from the Planning Commission and one (1) member shall be from the City Council. The remaining seven (7) members shall be residents of the city. The Park Board shall meet at least once per month. Five members present at the meeting shall constitute a quorum. This Board is appointed by the Mayor with approval of the City Council (Resolution (Resolution Nos. 299, 438, 556 and 603.)

Duties include:

- 2.6.3.1 Citizen and agency involvement in park and recreation.

2.6.3.2 An advisory capacity to the City Council in matters pertaining to park and recreation programs, developing park master plans.

2.6.3.3 An advisory board regarding development of the Gladstone Comprehensive Plan and its periodic review and update.

2.6.4 Planning Commission

The Planning Commission (PC) consists of seven (7) residents who are appointed by the City Council based on their qualifications. The Commission is to meet once a month per Gladstone Municipal Code, which are to be attended by the City Attorney who offers legal and procedural advice on relatively complex matters.

A Gladstone City Council member is not to be a part of a PC session that is addressing a Gladstone Municipal Code project. The PC is to make a decision that is not to be influenced by the City's Council involvement. After an issue is voted on, a recommendation is presented to the Council, by the City Administrator. Of which a final decision can be made by the Council most of the time (exceptions to apply pursuant to Chapter 17 of the GMC.) The Minutes of the proceeding PC sessions, and any important information leading to the decision is to be a part of the final decision. If the Council needs more information then more testimony can be asked to clarify the issue by the PC. Likewise a PC member, can introduce input, regarding a PC recommendation, if he/she believes the information presented may lead to a misunderstanding and possibly a poor decision made by the City Council.

Duties include:

2.6.4.1 Design Review

2.6.4.2 Code Review

2.6.4.3 Code Development

2.6.4.4 Comprehensive Plan Review

2.6.5 Senior Centers Advisory Board

The Senior Center Board of Directors consists of seven (7) voting members; two thirds (2/3) of whom shall be fifty-five (55) years of age or older who are not officers or employees of the city; one (1) representative from each of the following groups shall sit on the Board but shall hold no vote: City Council, Loaves & Fishes and Senior Center Staff. The Board is appointed by the

Mayor with the approval of the Council for terms of three years and is scheduled to meet quarterly, usually on a Tuesday afternoon. Duties of the Senior Center Board of Directors include (Resolution No. 624 including the Bylaws):

Duties include:

- 2.6.5.1 Serve in an advisory capacity to the City of Gladstone, City Council, and Senior Center staff on matters affecting program and policy.
- 2.6.5.2 Provide for educational, recreational, nutritional, social and cultural needs, and promote mutual friendliness between individuals and groups who participate.
- 2.6.5.3 Ascertain the needs of older persons, to coordinate and mobilize public and private resources at all levels, and to gain, build, develop and maintain such programs.
- 2.6.5.4 Develop volunteer opportunities for all individuals to serve one another and their community.
- 2.6.5.5 Cooperate with the city and other agencies to provide enhanced senior services for the center and its community.

2.6.6 Traffic Safety Commission

The Traffic Safety Commission consists of seven (7) members appointed to a three year term by the Mayor with the approval of the City Council. A City Council member, that is a liaison to the Commission, has full voting rights but is not eligible for election as an officer. Applicants must be city residents. Recently the Traffic Safety Commission has met infrequently, probably two or three times per year, in large part due to use by the Police Department of a Speed Monitoring Awareness Radar Trailer that is placed on streets in response to speeding complaints. The Traffic Safety Commission usually meets on the fourth Monday evening of a month.

Duties include:

- 2.6.6.1 Researching, developing, and implementing coordinated traffic safety programs which meet local needs.
- 2.6.6.2 Acting in an advisory capacity to the City Council and the City Administrator in the coordination of traffic safety activities of the official agencies and departments of the City of Gladstone.

- 2.6.6.3 Upon request, providing research and furnishing information to other official agencies of the City of Gladstone.
- 2.6.6.4 Promoting public acceptance of official programs proposed or instigated by the city.
- 2.6.6.5 Fostering public knowledge and support of traffic law enforcement and traffic engineering problems.
- 2.6.6.6 Coordinating with the public and private school systems of the city in promoting traffic safety aids in the schools and promoting the education of the public on traffic safety.
- 2.6.6.7 Assisting in the overall reduction of traffic accidents, injuries, and deaths on the city's streets.

2-7 How Committee Agendas are Formed

A draft work plan, including tentative schedule, is developed by the committee at its first meeting of the year. The work plan is based on referred items carried on from the prior year, plus committee member and staff knowledge of emerging issues / policies. The draft work plan is forwarded to the full Council for review and approval as a Consent Agenda item.

During the year, items by concurrence with a referral request by a majority of Council members at a Council meeting. Requests for a referral to a committee may be made by the Mayor, individual Council members, or the City Administrator.

Throughout the year, a Council majority may refer an item to a committee agenda during the regular meeting. Afterwards, the staff liaison will consult with the committee chair to determine when this referral can be added to the committee's current work plan. Due to time constraints and / or heavy work loads, the committee chair may decide the item should be added to the work plan for the next year. In this case, if a majority of the Council members still feel the item should go to the committee in the current year, they may request the committee chair add an extra meeting to the committee agenda.

2-8 Committee Recommendations

Committee recommendations will be presented to the full Council by the respective Committee Chair. Usually, the committee chair will report the committee's findings during member reports at the Council meeting, or findings may appear as an action item

on the Consent Agenda. If an item does not have a unanimous recommendation from the committee, it shall not be placed on the Council's Consent Agenda. A Council committee chair may request that a specific item from the committee be placed on the Council's agenda as an "Regular Business" item, even if committee support is unanimous. When a committee recommendation is forwarded to the Council for action, the staff (transmittal) report will include an explanation from the committee chair of the committee's rationale for its recommendations. The rationale will be presented in a on the ("staff") report.

2-9 Non-Committee Member Attendance at Council Committee Meetings

A Council member may go, as any person to a public committee meeting. It should be understood however, that no more than three (3) City Council members shall be part of any committee other than a public Council Meeting, Work Session or Special Session.

An advisory committee is generally created by a city council resolution, and its members are selected by the Mayor and Council. City Councilors may be appointed as regular members of such committees, as ex officio members, or maybe given liaison roles.

2-10 Representation on Inter-local and Community Boards by Council Members

The same as previously noted in 2-8.

The City's Boards include:

2.10.1 Park and Recreation Board

2.10.1.1 Nine members, one being a City Councilor, one being from the Planning Commission and seven lay members that are City residents (Resolution Nos. 299, 438, 556 and 603.)

2.10.2 Gladstone Library Board

2.10.2.1 Five members. The Library Director shall sit with and be part of discussions but will have no vote. One City Councilor is appointed liaison, with no vote Resolution No. 618 including the Bylaws.)

2.10.3 Gladstone Seniors Board of Directors

2.10.3.1 Seven members. One City Councilor is appointed to attend with no vote, along with the Loaves and Fishes, and Senior Center staff (Ordinance 928, Resolution No. 624 including the Bylaws.)

2-11 Role of Mayor

The mayor shall be chairperson to the Council and preside over its deliberations. The Mayor shall be an equal voting member of the Council. The Mayor shall have the authority to preserve order, enforce the rules and determine the order of the business under rules of the Council.

The Mayor shall oversee the general affairs of the city. The mayor shall appoint, with approval of the Council, the committees provided by the rules of the Council. He/she sign all records of proceedings approved by the Council. He/she shall have no veto power.

2-12 President of the Council

A Council member shall be elected by ballot, by the membership to take the Mayors place in his/her absence. The election will take place at its first meeting of each odd-numbered year, or when the presiding Council President leaves office. Whenever the Mayor is unable to perform the functions of his/her office, the President shall act as mayor.

2-13 Absence of Mayor and Council Members/Forfeiture of Office

Whenever both the Mayor and President of the Council are absent, the Council shall, by majority vote, elect a chairperson to preside over the meeting(s) of the Council.

2-14 Personnel Appointments

The officers of the City, reporting directly to the City Council, shall be a Municipal Judge, City Administrator, and City Attorney. Each appointed officer may be removed by the Mayor with approval of the Council. Said officers shall be subject to performance evaluations no less than every four years.

2-15 Incompatibility of Offices

There are certain restrictions on a Council member holding any public office or employment within city government. The Mayor and City Council members shall not be

a member of the Planning Commission or any other position that may lead to a conflict of interests.

2-16 Emergency Response

2.16.1 Declaration of emergency. (GMC 8.16.050)

When, in the judgment of the City Council, a state of emergency exists, it shall declare in writing and publicize the existence of the emergency. The state of emergency declared pursuant to this section shall specify the area(s) which warrant the exercise of emergency control as listed in section 8.16.070(1) through (9). If Circumstances prohibit the timely action of the City Council, the Mayor may declare a state of emergency provided that approval by a majority of the city Council shall be sought and obtained at the first available opportunity. The Mayor shall terminate the state of emergency when the emergency no longer exists or the threat of an emergency has passed.

2.16.2 Succession of authority. (GMC 8.16.060)

- (1) Upon a declaration of emergency, the Mayor is empowered to assume centralized control of and have authority over all departments and offices of the city in order to implement the provisions of this chapter.
- (2) In the event the Mayor is unavailable or unable to perform his/her duties under this chapter, the duties shall be performed by:
 - (a) President of the Council.
 - (b) City Administrator.
 - (c) Police Chief.
 - (d) Fire Chief
- (3) All references to the Mayor in this chapter shall be deemed to refer to the successor referred to in this section.

2.16.3 Regulation and control. (GMC 8.16.070)

Whenever a state of emergency has been declared to exist within the city, the City Council is empowered to order and enforce the measures listed herein below. However, if circumstances prohibit the timely action of the City Council, the Mayor may order the following measures, provided that approval from a majority of the City Council is sought and obtained at the first available opportunity, or the Mayor's order will become null and void:

- (1) Establish a curfew for the area designated as an emergency area which fixes the hours during which all persons other than officially authorized personnel may not be upon the public streets or other public places.
- (2) Prohibit or limit the number of persons who may gather or congregate upon any public street, public place or any outdoor place within the area designated as an emergency area.
- (3) Barricade streets or roads, as well as access points onto streets and roads, and prohibit vehicular or pedestrian traffic, or restrict as an emergency area for such distance or degree of regulation as may be deemed necessary under the circumstances.
- (4) Evacuate persons from the area designated as an emergency area.
- (5) Close taverns or bars and prohibit the sale of alcoholic beverages throughout the city or a portion thereof.
- (6) Commit to mutual-aid agreements.
- (7) Suspend standard procurement procedures to obtain necessary services and/or equipment.
- (8) Redirect funds for emergency use.
- (9) Order such other measures as are found to be immediately necessary for the protection of life and/or property.

2.16.4 Responsibility for emergency program management. (GMC8.16.100)

For the purposes of this chapter, the City Council has appointed the Police Chief as the emergency program manager responsible for managing the city's emergency program. Specific duties shall include, but not be limited to, the following:

- (1) To develop, update and revise the city's basic emergency operations plan.
- (2) To coordinate the activities of city departments and other agencies with emergency services capabilities in the development of individual operational annexes to the basic plan.

- (3) To provide for the coordination of emergency plans, programs and operations with the county, neighboring jurisdictions and other public and private agencies with emergency services responsibilities including use of the National Information management System and National Incident Command System.
- (4) To develop working agreements with the county, neighboring jurisdictions and service districts to assure coordinated response to an emergency in the city;
- (5) To provide for the procurement of personnel, equipment, materials and supplies from higher authority, and for the accounting thereof for use in the event of a declared emergency
- (6) To provide for coordinated operations under simulated emergency conditions
- (7) To recommend to the council any ordinances, policies or procedures which would assist the council and other city officials in the performance of their duties in preparing for, responding to, and recovering from an emergency.

2-17 City Council Meetings

Each regular meeting of the Gladstone Council shall be conducted in accordance with a printed agenda setting forth the business to be transacted. The monthly meetings are held on the second Tuesday of each month unless otherwise advertized as required by Oregon Public Meeting laws.

2-18 Meeting Schedule

The Gladstone City Council has established that the second Tuesday will be for City Council Regular meetings. The fourth Tuesday is to be set aside for Work Sessions or Special Sessions. The current meeting schedule for the Council as well as other City committees and City Board meetings is posted at City Hall and on the City's website. .

2-19 Public Notice of Meetings and Hearings

The agenda and accompanying reports and documents are posted typically no later than 3:00 pm the Thursday before a meeting which is to be held on the following Tuesday.

Copies of the agenda are available for pick up at City Hall during regular business hours. In addition, a copy of the entire Council packet is available for viewing at City Hall and on the website. <http://www.ci.gladstone.or.us> .

Gladstone citizens can receive an electronic meeting notice if they register their email address with the Assistant City Administrator.

2-20 How can a City Council Member advance a policy issue?

It takes a majority of the City Council to bring a policy item before the full Council or a committee. The following are the routes a Council member may take to advance a policy issue:

2.20.1 Advisory Committee Work Plans:

A committee will draft work plans that committee chairs will come to the Council with an agenda request. The Council will then review the request and make a motion to accept the proposed and/or request further information that may lead to the policy's approval.

2.20.1 Regular Meetings

At any time during a regular Council meeting, a member may make a referral for an item to be addressed by a committee or by the full Council in the form of a Work and/or Study Session.

The City Administrator may also ask the Council to allow him/her to provide further information that can be studied by the Council or other City committees.

2-21 Legislative Process

All measures proposed for Council consideration must have the endorsement and sponsorship of at least one member or be recommended by a Council committee or be advanced by staff as a Consent Agenda item.

All proposed measures, except Consent Agenda items, must be referred to a Council committee of proper jurisdiction, unless the majority of the Council members present

approve a suspension of the rules and one of the following alternative dispositions of the proposal:

- 2.21.1 Referral to the Committee of the whole for later consideration, or
- 2.21.2 Immediate consideration, or
- 2.21.3 Referral to an advisory committee, or
- 2.21.4 Referral to staff for investigation and report.

2-22 Scheduling the Agenda

The meeting's agenda is provided by the City Administrator, noon Thursday, the week prior to a City Council Regular Meeting, Work Session or Special Session. The Mayor, City Council and City Administrator help develop the agenda based on issues at hand that seem to be most pressing. The City's Attorney may also advise about issues that should be discussed.

2-23 Agenda - Order of Business

The City Council has established the following order of business for its typical regular meetings:

- Type of Meeting
- Location
- Starting Time
- Roll Call
- Flag Salute

BUSINESS FROM THE AUDIENCE

CONSENT AGENDA

1. Payment of the month's Claims

CORRESPONDENCE

REGULAR AGENDA

- 2.
3. (Others as required)

BUSINESS FROM THE COUNCIL

RECESS TO GLADSTONE URBAN RENEWAL AGENCY MEETING (If required)

URBAN RENEWAL AGENDA

ROLL CALL

1. Approval of the last Urban Renewal meeting Minutes
2. Public Hearing (as example)

ADJOURN URBAN RENEWAL MEETING

RECONVENE

EXECUTIVE SESSION (If required)

ADJOURN

2-24 Procedure for Communication - During - Business From The Audience

The City Council appreciates hearing from citizens about items relating to city business and normally sets aside up to thirty minutes at the beginning of Council Regular Meetings for Business From The Audience (BFTA.) This forum is a limited public forum and all matters discussed shall relate to city business.

The manner and extent to which members of the public participate in the BFTA portion of the agenda is under the control of the Mayor. Therefore, to the extent necessary to prevent unreasonable interference with the meeting, the Mayor is empowered to curtail or prohibit testimony that is overly repetitive or lengthy, beyond the reasonable scope of city business, or of a nature that would endanger the safety or wellbeing of the persons attending the meeting or city employees. The Mayor is also empowered to establish time constraints on testimony, if necessary, to prevent unreasonable delay of the Council meeting.

Sign-in for BFTA begins when the doors to the Council Chambers are open (about 30 minutes in advance of the start of the meeting) and continues until the Mayor gavels the meeting to order, with the exact time at staff's discretion. Everyone who has signed in by the time the time registration is closed will be provided an opportunity to comment at that evening's meeting, either during the initial 30 minutes scheduled on the agenda for BFTA, at the end of the meeting if everyone is not accommodated within the initial 30

minutes, or in another order if proposed by the Mayor at any time during a meeting and agreed to by a majority of Council members in attendance at that meeting.

If time allows during the initial 30 minutes set aside on the agenda for BFTA, the Mayor may ask if anyone else in the audience wishes to speak. In this circumstance, BFTA will not exceed 30 minutes total of testimony time, and additional comment will not be carried forward to the end of the meeting.

It is not the intent by the Mayor or Council to limit the testimony time of any speaker. An individual's comment, during BFTA, is generally limited to five minutes or less as a guideline only. The sign in procedure allows the Mayor to establish an understanding of how much business the audience has to bring forward for the Council's consideration at that meeting. If the Mayor believes that the time has to be limited, to give every person giving testimony a chance, he/she will do so.

Comments should be directed to the Council as a whole. Speakers may not cede all or a part of their time to another speaker.

Out of respect for the time of our citizens, Council, and staff - the Mayor, on behalf of the entire Council, will thank the individuals who spoke. In addition, the Mayor should either ask the Council and City Administrator what steps should be followed and/or make a recommendation to address the issue(s) presented.

2-25 The Consent Agenda

The City Administrator, Mayor and/or President of the Council will propose which items are on the Consent Agenda. The Consent Agenda consists of items of a routine nature that do not normally need discussion. An ordinance typically requires two (2) separate readings at a regularly scheduled Council meeting. Final passage typically occurs on a second reading, although a second reading may be waived by an affirmative vote of at least two-thirds of the Council members present.

During the regular meeting, any Council member and/or member of the audience may pull a Consent Agenda item for discussion prior to approval of the Consent Agenda.

2-26 Council Members Reports

Council member reports are intended to allow Council members an opportunity to share brief updates on committee and Council assignments and to seek guidance and direction. Council members should do their best to be concise and restrict their remarks to these topics. Generally, Council member Reports should be no more than five minutes each.

For reports about Council Committee actions, the Committee's chair should give a brief recap of the committee's discussion and recommendations. Items needing Council action or discussion and will be scheduled for a subsequent Council meeting, so that all Council members and the public have background information on the topic along with recommendations, if any.

2-27 Public Hearings

Sign in for Public Hearings is similar to Business From The Audience. Please refer to that section (2-24.)

Individual comment during Public Hearings is generally limited to five minutes or less. Comments should be directed to the Council as a whole. Speakers may not cede all or a part of their time to another speaker. The Mayor will determine the order and protocols for public testimony.

The Mayor shall announce at the start of the Public Hearing a list of any public hearings scheduled within the upcoming 45 days or held in the previous 45 days. However, by concurrence of a majority of Council members, testimony for a public hearing may be continued or remain open until a specified date on time.

2-28 Council Action

Any action of the Council shall be by ordinance, resolution, proclamation, or motion and shall be conducted only in open public meetings unless otherwise provided by law. Any such action (except for the passage of any ordinance or the granting or revocation of any license or franchise) shall be deemed approved by an affirmative vote of a majority of those Council members who are present and vote. The passage of any ordinance that grants or revokes a license or franchise, and any resolution for payment of money requires the affirmative vote of at least a majority of the whole membership of the Council. Public emergency ordinances that take effect immediately, must be passed by a majority of the whole membership, plus one.

A vote of any matter shall be taken by roll call. Any Council member may abstain from voting on any matter.

An ordinance or budget resolution shall undergo two (2) separate readings, and final passage, and final passage may not be accomplished before the second reading. The readings shall occur at regular meetings. This guideline may be suspended by an unanimous vote of all the Council members present, in which case final passage may be accomplished at the same meeting the ordinance or budget resolution was introduced,

unless precluded by law. As a general practice, the City Administrator will not recommend that the Council take action as a first and final reading.

2-29 Open Public Meetings Law

Oregon's Public Meeting Law (ORS 192.610 to 192.710) gives members of the public the right to attend all meetings of governing bodies of public agencies, with a few specific exceptions.

Scope of the law – A governing body is defined by the Public Meeting Law as a deliberative body of the city that consists of two or more members who have the authority to make decisions or recommendations for the city. This includes all city councils, as well as planning commission, budget committees, library boards, citizen advisory committees, council committees, and others, even if their functions are purely advisory. It does not include ad hoc committees of department heads or other informal groups.

The Public Meeting Law applies when one of these governing bodies convenes on the matter to make a decision or to deliberate toward a decision. It includes “conference call” telephone meetings. If such meetings are held, arrangements must be made for the public to hear what is said, such as providing loud speakers attached to the telephone system. Judicial proceedings and state agency contested cases, as defined by state law, are not subject to the Public Meeting Law. However, a quasi-judicial proceeding conducted by a city council such as a hearing and deliberation on a zone change, is not exempt from the open meeting requirements since it is not considered a judicial proceeding, and land use decisions are required to be public.

Requirements – In addition to the basic requirement that governing body meetings be open to the public, meetings may not be held in a place where discrimination on the basis of race, color, sex, age or national origin is practiced. In addition, meetings are to be held at a place accessible to the disabled, and a good faith effort to have an interpreter available for the hearing impaired when requested to do so should be made. In general, meetings may not be held outside the city, although there are some exceptions to that rule. Except in emergencies, there must be reasonable notice to the public for any meeting, and the notice must include a list of principal subjects to be discussed and must identify any matters to be taken up in executive session. However, additional subjects not anticipated or listed may be considered at the meeting. Written minutes of all meetings are required, except the executive sessions may be just tape recorded. Smoking is prohibited as in any public setting.

Executive Sessions – Closed door executive sessions are authorized in limited and specifically identified circumstances. No final actions may be taken at these meetings. More specifics of executive sessions guidelines are noted at 2-31.

2-30 Work Sessions

A Work Session is an informal opportunity for Council members to learn about and discuss policy issues. Work Sessions will generally be scheduled to take place on the fourth Tuesday of a given month. However, from time-to-time Work Sessions may be scheduled at a special time during a month's Regular meeting, if there appears to be an adequate amount of time to cover the issue.

2-31 Special Meetings

A special meeting may be called at any time by the Mayor or by a majority of the Council. Notice will be provided per Oregon's Public Meeting Law (ORS 192.610 to 192.710.)

If more than three (3) Council members attend and participate in an official capacity at any meeting, it shall be considered a Special Meeting and notice shall be given.

In addition, the City Administrator shall follow up with Council members by telephone, email or such other convenient communication method reasonable to apprise the members of a Special Meeting. The City Administrator may also, at his/her discretion, provide notice to interested parties.

2-32 Executive Sessions

Executive Sessions may be held to discuss certain matters specified by law (ORS 192.660) including:

- 2.32.1 Initial employment of public officials and employees;
- 2.32.2 Dismissal or disciplining of an officer or employee or performance evaluation of an officer or employee, unless the officer or employee requests an open meeting;
- 2.32.3 Deliberations with persons designated to negotiate real property transactions;
- 2.32.4 Deliberations with persons designated to conduct labor negotiations;
- 2.32.5 Discussion of records that are exempt from public inspection;
- 2.32.6 Negotiations involving matters of trade and commerce when the unit of government is in competition with other areas;

- 2.32.7 Legal rights and duties of a public body with regard to current litigation or litigation likely to be filed;
- 2.32.8 Review and evaluation of an executive officer, public officer, employee or staff member, unless an open hearing is requested by the person being reviewed; or
- 2.32.9 Negotiations regarding public investments.

2-33 Televised and/or Videoed Meetings

Gladstone City Council meetings, when held in the City Council Chambers are not currently televised.

The meetings are videotaped and are posted on the City's website.
<http://www.ci.gladstone.or.us>

2-34 Council Attendance Policy

There is no attendance policy for the City Council at this time. However, it is generally recognized that Council members should notify the City Administrator or Mayor that they will not be present for a meeting.

2-35 Council Member Resignations

There is no policy in place regarding a resignation of a Council member.

However, if the Mayor recognizes an issue he/she will determine what consideration should take place.

As a courtesy, a member who wishes to resign should submit a letter to the City Clerk that clearly states his/her intention to resign and the effective date.

2-36 Meeting Minutes

Robert's rules of Order define minutes as the record of the proceedings which state what action was taken. The essentials of the record include all main motions (except those that were withdrawn) and points of order and appeals, whether sustained or lost, and all other motions that were not lost or withdrawn.

2-37 Parliamentary Procedure

The City Council uses Robert's Rules of Order to help run its meetings. Robert's Rules work within the Council's process, and not the other way around.

2-38 Parliamentarian

The City Attorney shall assist the City Council on questions of parliamentary procedure and the application of the parliamentary rules contained in Robert's Rules of Order. Before deciding any questions of parliamentary procedure, the Mayor may request advice from the City Attorney. In cases where serious errors in procedure are being used or being contemplated, the City Attorney may give advice even when it has not been requested. Please refer to Appendix B for more detailed information about Parliamentary Procedures, including a summary of Robert's Rules, scripts and quick reference guide to motions.

CHAPTER 3 - ADVISORY BOARDS AND COMMITTEES

For more information about advisory bodies, see the City's website at <http://www.ci.gladstone.or.us>

Boards, commissions and citizen committees provide a great deal of assistance to the Gladstone Council when formulating public policy and transforming policy decisions into action. As noted in previous sections the City has the following standing boards and commissions which are appointed by the Council:

- 3.0.1 Budget Committee
- 3.0.2 Library Board
- 3.0.3 Park and Recreation Board
- 3.0.4 Planning Commission
- 3.0.5 Senior Center Advisory Board
- 3.0.6 Traffic Safety Commission

In addition, special purpose committees and task forces are appointed from time-to-time to address issues of interest or to conduct background work on technical or politically sensitive issues. Special or ad hoc committees will be dissolved upon completion of the intended task.

While membership on most committees is by Council appointment, the following is an important volunteer program that is promoted on the City's website:

- 3.0.7 Emergency Management Volunteer Program
<http://www.ci.gladstone.or.us> (Emergency Preparedness – Tab)

3-1 Establishment of Advisory Committees/Commissions/Boards Appointed by the City Council

There are many reasons for setting up citizen advisory committees and many ways to use them. A committee might be established to conduct an in-depth study of a special issue and to serve as a sounding board for city action proposals. Some committees are organized to improve communications with specific segments of the community.

The Gladstone Mayor and City Council appointed Committee/Commissions/Boards are established by action of the entire Council, usually by resolution..

3-2 Committee/Commission Resignations

In the interest of timely noticing of vacancies, and to minimize the impact of vacancies, on boards and commissions, the City Council delegates to the chair of the specific committee or commission the authority to accept resignations, and to notify the city staff liaisons of the vacancies. The Assistant City Administrator or City Administrator, are generally the persons that will assure that vacancies are posted in the Gladstone City Newsletter.

3-3 Staff Relationship to Advisory Bodies

The City Administrator and Assistant Administrator, or designee, shall act as liaison(s) to advisory committees, commissions or boards.

The members of the commissions, boards are responsible for the functions of the advisory body. The chairperson is responsible for compliance with the municipal code and/or committee Bylaws except in case of the Planning Commission which is assisted by the Assistant City Administrator and City Attorney.

3-4 Council Members' Role and Relationship with City Advisory Bodies

A City Council member acts as an advisory member on several advisory bodies as previously noted.

The City Council annually reviews and approves work plans for each advisory committee, except for the Planning Commission (primarily a quasi-judicial group.)

In the case of the Planning Commission, it makes recommendations to the Mayor and City Council regarding development of the City of Gladstone.

3-5 What happens to an item once it is referred to an advisory board or committee?

Each year, advisory boards, committees and commissions form a work plan for the year. If an item is referred during the year, the staff liaison will notify the committee chair of the referral. The committee Chair will usually report back to the Council regarding their ability to absorb the referral into their current work plan.

It is expected the chair of the advisory committee or their designee, rather than a staff person, report the findings to the Council. Accordingly, committee chairs should attend the Council meeting when the recommendation is presented and be available for questions or clarification on the committee recommendation.

CHAPTER 4 - INTERACTION WITH CITY STAFF/OFFICIALS

4-1 Overview

City Council policies are implemented through a dedicated and professional staff. It is critical to understand the Council/staff relationship so that policies and programs may be implemented successfully.

4-2 Council Administrator Plan of Government

The introduction of this guidebook gives a brief overview of the Council City Administrator form of government. The responsibilities and duties of the City Administrator include:

- 4.2.1 Generally supervise the administration of the City
- 4.2.2 Appoint and remove department directors (with City Council confirmation) and employees
- 4.2.3 Attend all meetings of the Council at which the City Administrator's attendance is required by Council
- 4.2.4 See that all laws and ordinances are faithfully executed, subject to the authority which the Council may grant the Mayor and Council to maintain law and order in times of emergency
- 4.2.5 Make policy recommendations to the Council
- 4.2.6 Prepare and submit reports to the Council
- 4.2.7 Keep the Council fully advised of the financial conditions of the City and its future needs
- 4.2.8 Prepare and submit, to the Council, a proposed budget for the fiscal year
- 4.2.9 Perform such other duties as the Council may determine by ordinance or resolution.

4-3 Roles and Information Flow

4.3.1 Council Roles

The City Council retains authority to accept, reject, or amend the staff recommendation on policy matters.

Members of the City Council must not intrude into those areas that are the responsibility of the staff. Individual Council members may not intervene in staff decision making, the development of staff recommendations, scheduling of work, and executing department priorities without the prior knowledge and approval of the City Council as a whole. Individual Council members will refrain from asking City staff to work outside normal hours. This is necessary to keep staff focused on established Council priorities and avoid undue influence and pressure from individual Council members. It also allows staff to execute priorities given by management and the Council as a whole using their best professional judgment without fear of reprisal. If a Council member wishes to influence the actions, decisions, recommendations, workload, work schedule, or priorities of staff, that member must prevail upon the Council to do so as a matter of Council policy.

4.3.2 Significant Requests

Council members are free to directly contact the staff for general information. If the request is significant in nature or initiates any significant project or study the consent of a majority of the Council must be obtained before redirecting work to this new effort. Individual Council members also should not request or direct the City Administrator or department directors to initiate any significant action or prepare any report that is significant in nature, without majority Council approval. Council members may discuss ideas with the City Administrator, and he/she will determine whether or not the request is significant and needs Council direction.

4.3.3 Access to Information

The City Administrator is the liaison between Council and City staff other than general information or routine requests. Requests from Council members are to be directed to the City Administrator and will be responded to promptly. The information or response will generally be copied to all members of the Council so that each member may be equally informed. The equal sharing of information with the City Council is one of the City Administrators highest priorities.

There are limited restrictions regarding when information can and cannot be provided. The City is legally bound not to release certain confidential personnel information. Likewise, certain aspects of police department affairs (i.e., access to restricted or confidential information related to crimes) may not be available to

members of the City Council. The City Attorney can advise Council members in these areas.

4-4 City Council/ City Administrator Relationship

The employment relationship between the City Council and City Administrator recognizes that the City Administrator is the chief executive of the City. All dealings with the City Administrator, whether in public or private, should acknowledge the authority of the City Administrator in administrative matters.

The City Administrator must respect and be sensitive to the policy responsibilities of the City Council and acknowledges that the final responsibility for establishing the policy direction of the City is held by the City Council.

4.4.1 Administrative Issues

The City Council is to work through the City Administrator when dealing with management of the City. In no matter, either directly or indirectly, shall a council member become involved in, or attempt to influence, personnel matters that are under the direction of the City Administrator.

4.4.2 Performance Evaluations

The City Council evaluates the City Administrator on an annual basis to ensure that both the City Council and City Administrator are in agreement about performance and goals based upon mutual trust and common objectives. The City Administrator's performance is evaluated in the areas as mutually agreed by the Council and City Administrator.

4-5 City Council/ City Staff Relationship

The primary functions of staff are to execute Council policy and actions and to keep the Council members informed. Staff is to take guidance and direction only from the City Administrator or Department Director. This direction shall follow the policy guidance of the City Council as a whole.

City Council member contact with City staff members, exclusive of the City Administrator, will be during regular business hours as much as possible, except in the case of unforeseeable circumstances.

4.5.1 Political Involvement

Gladstone is a nonpartisan local government. Professional staff formulates recommendations in compliance with Council policy and are not to be influenced by political factors. For this reason, it is very important to understand the restrictions of political involvement of staff.

By working for the City, staff members do not surrender rights to be involved in political activities during their non-working hours. They may register to vote, sign nominating or recall petitions, and may vote in any election.

There are restrictions against the use of public funds, public property or public facilities to support or oppose ballot propositions or individual candidates. The basic concepts to keep in mind are that public facilities should not be used for campaign purposes, and employees should not promote or oppose a ballot measure or a candidate during work hours.

4-6 City Council/ City Attorney Relationship

The City Attorney is appointed by the City Council. The City Attorney is the legal advisor for the Council, its committees, commissions and boards, the City Administrator, and all City officers and employees with respect to any legal question involving an official duty or any legal matter pertaining to the affairs of the City. The general legal responsibilities of the City Attorney's Office are to:

- 4.6.1 Provide legal assistance necessary for formulation and implementation of legislative policies and projects;
- 4.6.2 Represent the City's interest in, civil litigation, administrative hearings, negotiations, and similar proceedings;
- 4.6.3 Prepare or approve as to form ordinances, resolutions contracts, and other legal documents to best reflect and implement the purposes and intentions of the City Council; and
- 4.6.4 Keep City Council and staff apprised of court rulings and legislation affecting the legal interest of the city.

It is important to note that the City Attorney does not represent individual members of Council, but rather the City Council as a whole.

CHAPTER 5 - SUPPORT PROVIDED TO CITY COUNCIL

5-1 Staff/Clerical Support

Staff and administrative support to members of the City Council is provided through the City Administrators' office.

Secretarial services, including scheduling of appointments, receipt of telephone messages, and word processing, can be made available if approved by the Administrator, and/or a special project is approved by the Mayor and City Councilors.

Sensitivity to the workload of support staff members in the City Administrator's office is appreciated. Please note that individuals may have work assignments with high priority.

5-2 Office Equipment

Standard office equipment, such as phones, copiers and fax machines are available at City Hall for the Council to use.

Please remember, this equipment is used to keep the city running – so make sure you have approval and training, as required, before trying to use it.

5-3 Meeting Rooms

Please contact the appropriate staff to insure conference rooms are properly scheduled.

5-4 Mail, Deliveries

Members of the City Council receive a large volume of mail and other materials that are delivered primarily through the use of email and individual mailboxes. Individual mail boxes are maintained for each Council member by the City Administrator's staff. Council members are encouraged to check mailboxes often.

Written letters to the Mayor and/or Council are usually scanned by the City Administrator's staff and distributed via email to the entire Council and the City Administrator.

All correspondence to Council members is a public record, potentially eligible for release.

See the Communications Section (7-8) for procedures regarding Council correspondence and response to citizens.

CHAPTER 6 - FINANCIAL MATTERS

6-1 Council Compensation

The Mayor and Council members provide all of their services for no compensation.

6-2 Annual Operating Budget, Master Plans and Capital Project Considerations

The City's annual Operating Budget is prepared on a fiscal year basis. The Operating Budget, Capital Project is prepared each year by the City Administrator

6.2.1 Development and Preparation

The Budget is prepared by the City Administrator with a lot of input by the Mayor, City Council and Budget Committee members. The potential Adopted Budget is reviewed by the Budget Committee and Council.

The City Administrator wants to work towards receiving more input from the Budget Committee and Council earlier in the process.

The goal is to continually improve the tools and methods that are used to develop the budget.

6.2.2 Master Plans

The Master plans are being established as required. The Master Plans currently underway and/or under consideration to be worked included:

6.2.2.1 Storm Water Master Plan

6.2.2.2 Water Master Plan,

6.2.2.3 Sanitary Sewer Master Plan

6.2.2.4 Street Pavement Master Plan

After the Master plans have been completed the appropriate expenditures will be proposed annually and approved as needed.

6.2.3 Capital Projects

Capital projects for City's facilities and equipment have been reviewed on a as needed basis. A list of projects and their cost is established in the budget packet annually. The highest priority is generally requested by the Department Director/head with approval of the City Administrator. The City's Mayor and City Council review, ask questions, discuss and then generally make a motion to approve, not approve or consider another option.

6.2.4 Monitoring

Expenditures and Resources are monitored by the City Administrator and Department heads, throughout the year to ensure that funds are used in an approved and adopted manner.

The City Council also review monthly reports and approves payment of claims.

6.2.5 Evaluation

Oregon law requires an annual independent audit (ORS 297.435.) The required audit must be prepared by the Secretary of State or by an independent accountant who is licensed as a municipal auditor by the State Board of Accountancy. The Secretary of State's office has extensive supervisory powers over implementation of audit findings, including the power to withhold certain state payments until compliance is achieved.

6-3 Long-Term Financial Strategy

The Council has adopted the following long-term financial strategy:

Key Principals:

- 6.3.1 Make Trade-offs (Do not initiate major new services without either);
 - 6.3.1.1 ensuring that revenue to pay for the service can be sustained over time, or
 - 6.3.1.2 making trade-offs of existing services.
- 6.3.2 Do it well (If the City cannot deliver a service well, the service will not be provided at all.)

- 6.3.3 Focus programs on Gladstone Residents and Businesses (Give priority to existing infrastructure.)
- 6.3.4 Use Unexpected One-Time Resources for One-time Costs or Reserves (One-time Resources, or Resources above projections, will be used strategically to fund prioritized projects.)
- 6.3.5 Invest in employees (The City will invest in employees and provide resources to maximize their productivity.)
- 6.3.6 Pursue innovative approaches to service delivery (Continue to implement operational efficiencies and cost saving measures in achieving community values. Pursue partnerships and cost sharing strategies with others.)
- 6.3.7 Contract In/Contract Out (Consider alternative delivery to maximize efficiency and effectiveness.)
- 6.3.8 Maintain capacity to respond to emerging community needs
- 6.3.9 Pursue entrepreneurial initiatives
- 6.3.10 Address unfunded liabilities
- 6.3.11 Selectively recover costs (On a selective bases, have those who use a service pay the full cost.)
- 6.3.12 Recognize the connection between the Operating Budget and the Capital Budget.

6-4 Long Range Planning Tool

The Long Range Planning Tool has been developed by the City Council. This tool shows nine plus years of historical data and works to:

- 6.4.1 allow for planning over 20 years;
- 6.4.2 keep the tool transparent;
- 6.4.3 show all meaningful assumptions;
- 6.4.4 link the Long Range Planning tool with the Adopted Budget and Historical Data;
- 6.4.5 simplify the complexity of the Cities financial systems while showing enough detail that can be linked to the Adopted Budget packet;

- 6.4.6 make this tool easy to use and easy to update;
- 6.4.7 show a list of projects that are listed on the Cities Adopted Budget packet as well as the possible expenditures that may be seen in the future for repair or replacement of Water Lines, Storm and Sewage Lines and/or Streets;
- 6.4.8 help persons understand that expenditures & resources need to be linked to certain fund types;
- 6.4.9 make this tool a living document that can be improved;
- 6.4.10 This tool is approved by the City Council and its use will be controlled by the City Staff.

The goal for this Tool, is its use to help the City Administrator to develop the annual budget. It also can be used for “What-if Scenarios” to determine what expenditures may be seen in future years, as well as seeing what resources are needed to meet the needs of the Master Plans and/or special projects.

6-5 Financial Disclosure

The Oregon State law requires reporting requirements for city elected officials, as well as all city managers/administrators, municipal judges, justices of the peace and members of some local boards and commissions, are required to file these statements by April 15th each year. (ORS 244.160 to 244.201)

6-6 Contracting

The City’s contracting procedures and contract documents are reviewed by the City Attorney.

6-7 Travel Policy, Miscellaneous Expense and Food Policy (Reimbursement)

It is general policy of the City to pay for mileage, transportation, lodging, meals and other necessary travel expenses incurred while on official City business.

Miscellaneous and food for special events is normally preapproved, and paid for. If the City has not set up the event, reimbursements will be made only when valid receipts are presented by Council members.

6-8 Recognition Policy

The City's Recognition Policy establishes policies and procedures related to expenses incurred for Council recognition, celebration, retirement or resignation events.

CHAPTER 7 - COMMUNICATIONS

7-1 Overview

Perhaps the most fundamental role of a Council member is communication:

- 7.1.1 Communication with the public to assess community opinions and needs, and to share the vision and goals of the City with constituents; and
- 7.1.2 Communications with staff to provide policy direction and to gain an understanding of the implications of various policy alternatives.

7-2 Local Ballot Measures

At times, initiatives may be placed on the ballots that affect City Council policy. There are restrictions regarding what actions the City may take on ballot measures. Specifically, state statutes prohibit the City from using its personnel, equipment, materials, buildings, or other resources to influence the outcome of elections. What the City can do is distribute informational reports or pamphlets for the purpose of informing the public of the facts of an issue.

7-3 Proclamations

The City prepares two types of proclamations, regular and Mayoral. A (regular) proclamation goes to the full Council and is read aloud. The Council then hands it to a representative from the audience. A Mayoral proclamation is given to the Mayor in his mail box for signatures and then it is usually mailed to the organization.

7-4 Oregon Public Records Law

The Oregon Public Records Law (ORS192.410 to 192.505) applies to all “public bodies” including governing bodies, officers, departments, commissions, etc. It also applies to all “public records”, which includes any “writing” containing information that pertains to the conduct of the public business. “Writing” is defined broadly and includes handwriting, typewriting, photographs, maps, discs and tapes.

7-5 Electronic Communications

As soon as an email hits the server it may be subject to public disclosure. An email is automatically saved in an archive and retained in accordance with state law.

7-6 Correspondence from Council Members

Members of the City Council may be called to write letters to citizens, businesses, or other public agencies. Typically the Mayor will be charged with transmitting the City's position matters to outside agencies on behalf of the City Council and/or the City Administrator will do the same, for the Mayor.

7-7 Response to Emails

If any Council member receives an email sent directly to his/her address, he/she is not required to share his/her response with the full Council. However, if he/she would like the full Council to be aware of the response, it is up to him/her to copy to the "council" email address on that response. It needs to be understood that the Oregon Public Records Law applies to emails.

7-8 Response to Paper Letters

All paper letters (whether addressed to all or one) will be scanned and emailed to the full Council. If the City Administrator deems the letter needs a response he/she will identify a staff member to respond, and follow the same procedure listed above (7-7) (except he/she will not send an initial response to the sender, and the staff responder should forward a paper copy of his/her response to the City Administrator so he/she can forward it to the full Council.

CHAPTER 8 - CONFLICTS OF INTEREST, ETHICS AND LIABILITY OF ELECTED OFFICIALS

The Gladstone Mayor and City Council members must not allow being part of a conflict of interest that is covered by a Constitutional Provision or Statutory Provision.

8-1 Conflicts of Interest

State law (ORS 244.040) requires that Mayor and City Council not use their official positions or offices to obtain financial gain other than official salary, honorariums, or reimbursements of expenses. The law also limits the value of gifts that officials, candidates, or members of their families may solicit receive, or that any person may offer, and prohibits public officials from soliciting or receiving offers of future employment in return for influence. The law also prohibits public officials from furthering their personal gain by use of official information.

8-2 Applicability

All City officers, elected and appointed, are subject to the conflict of interest laws.

8-3 Acts not Constituting a Conflict of Interest

The following are acts not Constituting a Conflict of interest:

- 8.3.1 Receiving municipal services on the same terms and conditions as if not a City official. Thus, when a Council member, who owns a business within the City, votes for or against an increase in the business license fees, a conflict would not exist because this action would apply to all businesses in the corporate limits.
- 8.3.2 An officer or employee of another political subdivision or public agency unless it is the same governmental entity being serviced who is voting on a contract or decision which would not confer a direct economic benefit or detriment upon the officer. Therefore, a Council member who is a school teacher may vote to enter into an intergovernmental agreement with the school district, unless such agreement would confer some direct economic benefit, such as a salary increase, upon the Council member.

- 8.3.3 A member of a trade, business, occupation, profession, or class of persons and has no greater interest than the other members of that trade, business, occupation, or class of persons.

8-4 Declaration of a conflict

When a substantial interest exists, the City official must:

- 8.4.1 Refrain from voting or in any way influencing a decision of the City Council; and
- 8.4.2 Declare that a conflict of interest exists and make it known in the official records of the City.

8-5 City Attorney Opinions

A Council member's request for an opinion from the City Attorney concerning conflict of interest is confidential. Council members may seek advice from a private attorney, at their own expense, concerning potential conflicts. In such cases, no disclosure policy would apply.

8-6 Liability

A public official may be personally liable for an action in tort. However, under the Oregon Tort Claims Act (OTCA), public officials are to be defended and saved harmless by their public body for actions taken in their official capacity, except for malfeasance in office or willful or wanton neglect of duty.

CHAPTER 9 - LEAVING OFFICE

9-1 Return of Materials and Equipment

During their services the City Council, members may have acquired or been provided with equipment such as computers or other items entailing a significant expense, as well as keys, etc. These items are to be returned to the City at the conclusion of a Council members term.

9-2 Filling Council Vacancies

The purpose of this section is to provide guidance to the City Council when a member's position becomes vacant before the expiration of the elected officials term of office. Pursuant to state law, a vacancy shall be filled only until the next municipal election to fill that particular position.

9-3 Appointment Process

The Gladstone Council members position to be filled, will be advertised in the Gladstone Newsletter. The applications for the requirements are pretty specific and will be reviewed by the remaining Mayor and Council members.

The Mayor and Council may approve or not approve applicants based on their qualifications

APPENDIX A: List – (City of Gladstone Policies & Procedures)

Gladstone Municipal Code

City Mission Statement – Amended Approved 09.11.2012

City Vision Statement – *Amended Approved 09.11.2012*

City Values Statement – *Amended Approved 09.11.2012*

Gladstone Accounts Payable Policy

Public Policy on Policing for the City of Gladstone, January 6, 2010

GLADSTONE COMPREHENSIVE PLAN – GOALS, OBJECTIVES, POLICIES AND IMPLEMENTATION STRATEGIES – UPDATED OCTOBER 2006

GLADSTONE COMPREHENSIVE PLAN – INVENTORY AND ANALYSIS – ARIL, 1979

Gladstone Personnel Handbook – January 2013

APPENDIX B: List – (Other References)

HANDBOOK FOR OREGON CITY COUNCILORS – Updated January, 2004

OREGON GOVERNMENT STANDARDS AND PRACTICES LAW - A GUIDE FOR
PUBLIC OFFICIALS

THE NEW ROBERT’S RULES OF ORDER

APPENDIX C – (City Charter)

CHARTER

Note

*Note: The Charter was approved at the general election held November 6, 1984.

To provide for the government of the City Gladstone, Clackamas County, Oregon; and to repeal all Charter provisions of the city enacted prior to the time that this Charter takes effect, except as hereinafter provided in Section 4.

**BE IT ENACTED BY THE PEOPLE OF THE CITY OF GLADSTONE,
CLACKAMAS COUNTY, OREGON:**

CHAPTER I NAME AND BOUNDARIES

Section 1. Title of Enactment. This enactment shall be referred to as the City of Gladstone Charter of 1984.

Section 2. Name of City. The municipality of Gladstone, Clackamas County, Oregon, shall continue to be a municipal corporation with the name City of Gladstone, Oregon.

Section 3. Boundaries. The city shall include all territory encompassed by its boundaries as they now exist or hereafter are modified by voters, by the council, or by any other agency with legal power to modify them. The city shall keep at the city hall at least two copies of this Charter in each of which shall be maintained an accurate, up-to-date description of the boundaries. The copies and descriptions shall be available for public inspection at any time during regular office hours.

CHAPTER II POWERS

Section 4. Powers of the City. The city shall have all powers which the constitutions, statutes, and common law of the United States and of this state expressly or implied grant or allow municipalities, as fully as though this charter specifically enumerated each of those powers.

Section 5. Construction of Charter. In this charter no mention of a particular power shall be construed to be exclusive or to restrict the scope of the powers which the city would have if the particular power were not mentioned. The charter shall be liberally

construed to the end that the city may have all powers necessary or convenient for the conduct of its municipal affairs, including all powers that cities may assume pursuant to state laws and to the municipal home rule provisions of the state constitution.

CHAPTER III FORM OF GOVERNMENT

Section 6. Where Powers Vested. Except as this chapter provides otherwise, all powers of the city shall be vested in the council.

Section 7. City Council. The council shall be composed of a mayor and six council members elected from the city at large and by position number.

Section 8. Council Members. Each council position shall bear a number from one through six and all candidates for council positions shall designate on their nomination petition the number of the council position to which they seek election. No candidate may run for more than one position at an election. The council members whose terms of office expire January, 1986, shall be assigned positions No. 1,3 and 5. The council members whose terms of office expire January, 1985, shall be assigned positions No. 2,4 and 6. The council members in office at the time this charter is adopted shall continue in office, each until the end of the term of office as fixed by the charter of the city in effect at the time this charter is adopted. Council members shall be elected for a term of four years at each biennial general election thereafter for vacancies that have occurred or to fill unexpired terms.

Section 9. Mayor. At the biennial general election held in 1986, and every fourth year thereafter, a mayor shall be elected for a term of four years. The term of office of the mayor incumbent at the time this charter is adopted shall continue until January, 1987.

Section 10. Appointed Officers. Officers of the city, reporting directly to the city council, shall be a Municipal Judge, City Administrator, and City Attorney, and such other appointed officers as the council deems necessary. Each of these officers shall be appointed and may be removed by the mayor, with the consent of the council. Said officers shall be subject to performance evaluations no less than every four years.

Section 11. Compensation. The compensation for the services of each appointed city officer and employee shall be the amount fixed by the council.

Section 12. Qualifications of Officers. No person shall be eligible for an elective office of the city unless at the time of his election he is a qualified elector within the meaning of the state constitution and has resided in the city during the 12 months immediately preceding the election and maintains continuous residency during the term of office. The council shall be final judge of the qualifications and election of its own members.

CHAPTER IV COUNCIL

Section 13. Meetings. The council shall hold a regular meeting at least once each month in the city at a time and at a place which it designates. Meetings of the council may also be held at any time by consent of a majority of the members of the council. The mayor or three members of the council may, by giving notice thereof to all available members of the council, call an emergency meeting of the council. The council shall adopt rules for the government of its members and proceedings.

Section 14. Quorum. A majority of members of the council shall constitute a quorum for its business.

Section 15. Record of Proceedings. The council shall cause a record of its proceedings to be kept. Upon the request of any of its members, and ayes and nays upon any questions before it shall be taken and entered in the record.

Section 16. Proceedings to be Public. No action by the council shall have legal effect unless the motion for the action and the vote by which it is disposed of take place at proceedings open to the public.

Section 17. Mayor's Functions at Council Meetings. The mayor shall be chairman of the council and preside over its deliberations. The mayor shall be a voting member of the council. He shall have authority to preserve order, enforce the rules of the council, and determine the order of the business under the rules of the council.

Section 18. President of the Council. At its first meeting after this charter takes effect and thereafter at its first meeting of each odd-numbered year, the council shall elect by ballot a president from its membership. Upon the mayor's absence from a council meeting, the president shall preside. Whenever the mayor is unable to perform the functions of his office, the president shall act as mayor.

Section 19. Vote Required. Except as this charter otherwise provides, the concurrence of a majority of the council members present at a council meeting shall be necessary to decide any question before the council.

CHAPTER V POWERS AND DUTIES OF OFFICERS

Section 20. Mayor. The mayor shall oversee the general affairs of the city. The mayor shall appoint, with the approval of the council, the committees provided by the rules of the council. He shall sign all records of proceedings approved by the council. He shall have no veto power.

Section 21. City Administrator.

(a) The City Administrator shall be the administrative head of the government of the city.

(b) Term. The City Administrator shall be appointed for an indefinite term and may be removed at the pleasure of the council.

(c) Powers and Duties. The powers and duties of the City Administrator shall be those set forth by the council.

Section 22. Municipal Judge.

(a) The council may appoint a municipal judge who serves at the pleasure of the council. The municipal judge shall be a member in good standing of the Oregon State Bar.

(b) Powers and Duties. He shall hold within the city a court known as the municipal court for the City of Gladstone, Clackamas County, Oregon. The court shall be open for the transaction of judicial business at times specified by the council. All area within the city shall be within the territorial jurisdiction of the court. The municipal judge shall exercise original and exclusive jurisdiction over all crimes and offenses defined and made punishable by ordinances of the city and all actions brought to recover or enforce forfeitures or penalties defined or authorized by ordinance of the city. He shall have authority to issue process for the arrest of any person accused of an offense against the ordinances of the city, to commit any such person to jail or admit him to bail pending trial, to issue subpoenas, to compel witnesses to appear and testify in court on the trial of any cause before him, to compel obedience to such subpoenas, to issue any process necessary to carry into effect the judgments of the court, and to punish witnesses and others for contempt of court. In addition, the municipal judge shall have such jurisdiction and powers as set forth in the state statutes. When not governed by ordinances of this charter, all proceedings in the municipal court for the violation of a city ordinance shall be governed by the applicable general laws of the state governing justices of the peace and justice courts.

Section 23. City Attorney.

The council may appoint a City Attorney who serves at the pleasure of the council and serves as the legal officer of the city. The City Attorney shall be a member in good standing of the Oregon State Bar.

(a) Powers and Duties. The powers and duties of the City Attorney shall be those set forth by the council.

CHAPTER VI ELECTIONS

Section 24. Regular Elections. Regular city elections shall be held at the same times and places as biennial general state elections, in accordance with applicable state election laws.

Section 25. Notice of Regular Elections. At least ten days notice of each regular city election shall be given by posting notice thereof at a conspicuous place in the City Hall and two notices at conspicuous places in the City of Gladstone, Oregon. The notice shall state the officers to be elected, the ballot title of each measure to be voted upon and the time and place of the election.

Section 26. Special Elections. The council shall provide the time, manner and means for holding any special election. At least ten days notice of each special election shall be given in the manner provided by the action of the council ordering the election.

Section 27. Regulations of Elections. Except as this charter provides otherwise and as the council provides otherwise by ordinances relating to elections, the general laws of the state shall apply to the conduct of all city elections, canvasses and recounts of the returns therefrom, and contests thereof.

Section 28. Tie Votes. In the event of a tie vote for candidates for an elective office, the successful candidate shall be determined by a public drawing of lots in a manner prescribed by council.

Section 29. Commencement of Terms of Office. The term of office of a person elected at a regular city election shall commence the first meeting of the year immediately following the election.

Section 30. Oath of Office. Before entering upon the duties of his office, each officer shall take an oath or shall affirm that he will support the constitutions, charters and laws of the United States, the State of Oregon and the City of Gladstone, and that he will faithfully perform the duties of his office.

Section 31. Nominations. The council shall provide by ordinance the mode for nominating elective officers, provided any qualified person may be nominated by petition filed by 25 legal voters of the city.

CHAPTER VII VACANCIES IN OFFICE

Section 32. What Creates Vacancy. An office shall be deemed vacant upon the incumbent's death; court-ordered incompetence; conviction of a felony, other offense pertaining to his office, or unlawful destruction of public records; resignation, recall from office; or ceasing to possess the qualifications for the office; upon the failure of the person elected or appointed to the office to qualify therefore within ten days after the

time for his term of office to commence; and upon a declaration by the council of the vacancy.

Section 33. Filling of Vacancies. Vacant elective offices in the city shall be filled by appointment. A majority vote of the council shall be required to validate the appointment. The appointee's term shall begin immediately upon his appointment and shall continue until the beginning of the year following the next general biennial election and until his successor is qualified, and his successor for the unexpired term shall be chosen at the next general biennial election after said appointment. During the temporary disability of any officer or during his absence temporarily from the city for any cause, his office may be filled pro tem in the manner provided for filling vacancies in office permanently.

CHAPTER VIII ORDINANCES

Section 34. Enacting Clause. The enacting clause of all ordinances hereafter enacted shall be, "The City of Gladstone ordains as follows:"

Section 35. Mode of Enactment.

(1) Except as provided in the second and third paragraphs of this section, every ordinance of the council shall, before being put upon its final passage, be read fully and distinctly in open council meeting on two different days.

(2) Except as the third paragraph of this section provides to the contrary, an ordinance may be enacted at a single meeting of the council by unanimous vote of the council members present, upon being read first in full and then by title.

(3) Any of the readings may be by title only if no council member present at the meeting requests to have the ordinance read in full or if a copy of the ordinance is provided for each council member and three copies are provided for public inspection at City Hall not later than one week before the first reading of the ordinance, and if notice of their availability is given forthwith upon the filing, by written notice posted at the City Hall and two other public places in the city or by advertisement in a newspaper of general circulation in the city. An ordinance enacted after being read by title alone may have no legal effect if it differs substantially from its terms as it was thus filed prior to such reading unless each section incorporating such a difference is read fully and distinctly in open council meeting as finally amended prior to being approved by the council.

(4) Upon the final vote on an ordinance, the ayes and nays of the members shall be taken and entered in the record of proceedings.

(5) Upon the enactment of an ordinance, an officer of the city, as designated by the council, shall sign it with the date of its passage and his name and title of office.

Section 36. When Ordinance Takes Effect. Any ordinance enacted by the council shall take effect on the 30th day after its enactment. When the council deems it advisable, however, an ordinance may provide a different time for it to take effect, and in case of an emergency, it may take effect immediately.

CHAPTER IX PUBLIC IMPROVEMENTS

Section 37. Condemnation. Any necessity of taking property for the city by condemnation shall be determined by the council and declared by a resolution of the council describing the property and stating the uses to which it shall be devoted.

Section 38. Improvements. The procedure for making, altering, vacating, or abandoning a public improvement shall be governed by general ordinance or, to the extent not so governed, by the applicable general laws of the state. Action on any proposed public improvement, except a sidewalk or except an improvement unanimously declared by the council to be needed at once because of an emergency, shall be suspended for six months upon a remonstrance thereto by the owners of three-fifths of the area to be specifically assessed therefore. In this section "owner" shall mean the record holder of legal title or, where land is being purchased under a land sale contract recorded or verified to the city in writing by the record holder of legal title to the land, the purchaser shall be deemed the "owner".

Section 39. Special Assessments. The procedure for levying, collecting, and enforcing the payment of special assessments for public improvements or other services to be charged against real property shall be governed by general ordinance.

Section 40. Bids. Competitive procurement methods shall be adopted by ordinance.

CHAPTER X MISCELLANEOUS PROVISIONS

Section 41. Debt Limit. Except by consent of the voters, the city's voluntary floating indebtedness shall not exceed \$5,000. For purposes of calculating the limitation, however, the legally authorized debt of the city in existence at the time this charter takes effect shall not be considered. All city officials and employees who create or officially approve any indebtedness in excess of this limitation shall be jointly and severally liable for the excess.

Section 42. Bonded Indebtedness. Except as authorized by general state law, the city shall not issue and sell general obligation bonds unless authorized by the consent of a majority of the voters at an election. This restriction shall not apply to the issuance and sale of general obligation improvement bonds.

Section 43. Grammatical Interpretation. The following grammatical rules shall apply in this charter, unless it is apparent from the context that a different construction is intended:

- (a) Gender: Each gender includes the masculine, feminine and neuter genders.
- (b) Singular and Plural: The singular number includes the plural and the plural includes the singular.
- (c) Tenses: Words used in the present tense include the past and the future tenses and vice versa, unless manifestly inapplicable.

Section 44. Garbage Burning. The City Attorney is directed to prevent the discharge of cancer-causing agents, lead or mercury from garbage burning within one mile of schools in Gladstone.

Section 45. Existing Ordinances Continued. All ordinances of the city consistent with this charter and in force when it takes effect shall remain in effect until amended or repealed.

Section 46. Repeal of Previously Enacted Provisions.

All charter provisions of the city enacted prior to the time that this charter takes effect are hereby repealed.

Section 47. Time of Effect of Charter. This charter shall take effect 30 days after its approval by the voters of the City of Gladstone.



CITY DAY at the CAPITOL February 27, 2013

On behalf of the League of Oregon Cities and the Oregon Mayors Association, we cordially invite you to join mayors, city councilors, and city staff members for our first joint event: "City Day at the Capitol." *This is our opportunity to speak with one voice and provide collective efforts for influencing state policy and legislation for the benefit of our communities.*

This event is your chance to stand with other city officials from around Oregon in support of legislative actions that will return greater local authority over local decisions. It is also the time to let legislators know how actions they take could impact our communities and the difficult decisions we make. By coming together, our collective voices will make a difference to advance our legislative agenda.

During City Day, the legislative session will be in full swing. Many issues critical to cities will be under consideration, including the League's five legislative priorities—voter control, population forecasting, reset at sale, jobs and economic development, and the renewal of the 9-1-1 tax.

The most important part of the day will be your individual visits with legislators. You are encouraged to meet with them in the afternoon (1:45 p.m. to 4:00 p.m.) or early morning. *If you need assistance setting up a meeting, please contact the League.*

We ask that you also invite your legislators to the afternoon Legislative Reception, which will be held at the Salem Conference Center from 4:30 p.m. to 6:00 p.m.

RSVPs for "City Day at the Capitol" are due by 5:00 p.m. on Wednesday, February 13. Please fill out the enclosed registration form immediately and fax or mail to the League. You will also find all the materials on the OMA Web site at www.oregonmayors.org and the LOC website www.orcities.org.

Sincerely,

Shirley Kalkhoven
Mayor of Nehalem
OMA President

George Endicott
Mayor of Redmond
LOC President

Enclosures

20-1



2013 City Day at the Capitol

Wednesday, February 27, 2013

AGENDA

8:30 – 10:00 a.m. Salem Conference Center, Willamette Foyer

- I. Continental Breakfast and Registration

9:00 – 9:45 a.m. Salem Conference Center, Willamette B

- II. Legislative Orientation (Optional, official event kicks off at 10:00 a.m.)

10:00 a.m. – 12:30 p.m. Salem Conference Center, Willamette B

- III. Welcome and Introductions
- IV. Legislative Session Overview
- V. Issue Briefings
- VI. Working with the media

12:30 – 1:45 p.m. Salem Conference Center, Willamette C

- VII. Group Lunch – Legislative Leadership Invited

1:45 – 4:15 p.m. State Capitol

- VIII. Bus Shuttle to Capitol
- IX. Personal Visit with Legislators
- X. Bus Shuttle to Salem Conference Center

4:30 – 6:00 p.m. Salem Conference Center, Willamette Foyer

- XI. Legislative Reception

20-2

The Grand Hotel

201 Liberty Street SE, Salem, OR 97301

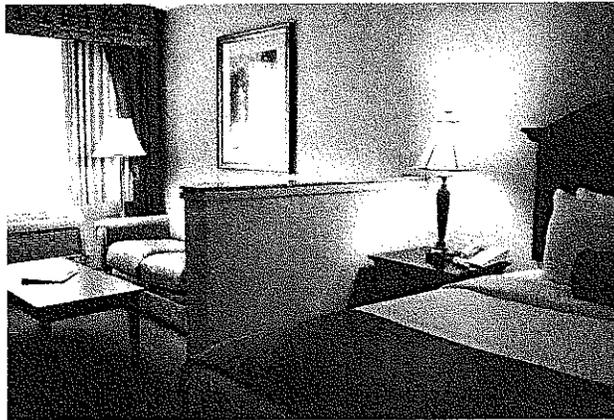
HOTEL RESERVATIONS

Call by January 27th!
(877) 540-7800

To receive the contracted rates, please indicate that you are with the **LOC City Day at the Capitol**.

Deluxe King - \$99* single occupancy, \$109* double occupancy

*All rates are subject to a 10 percent room tax.



Some amenities include: covered parking, complimentary hot breakfast buffet and high-speed Internet access.



You will be asked to guarantee your first night's lodging with a major credit card.
Reservations can only be canceled without penalty of first night cost by notifying the hotel 24 hours prior to arrival.

Check-in time is 3:00 p.m.; check-out time is 11:00 a.m.

www.grandhotelsalem.com

If the Grand Hotel is full, please contact Jenni Shepherd for a list of overflow property options.
JShepherd@orcities.org or (503) 588-6550

20-3



City Day at the Capitol

Wednesday, February 27, 2013

Oregon State Capitol & Salem Conference Center

Registration Form

(One person per form, please – make copies if needed)

Name _____ Title _____

Address _____ Email _____

City/Zip _____ Fax _____

The registration fee is **\$20.00 for the first participant from the city, and \$15.00 for any additional city participants**, which includes food and beverages, briefing materials, and the Legislative Reception. *The registration fee is \$20.00 for guests.* League staff will bill your city accordingly.

Please check the events you plan to attend:

- I plan to attend the **9:00 - 9:45 a.m. optional Legislative Orientation** prior to the event.
- I plan to make an **appointment with my legislator** before 10:00 a.m. or between 1:45 p.m. - 4:00 p.m.
- Please include me in the **lunch** at the Salem Conference Center.
My guest(s) will be: _____
(Full name, please)
- I plan to attend the **Legislative Reception** at the Salem Conference Center beginning at 4:30 p.m.
My guest(s) will be: _____
(Full name, please)

Please submit by February 13 to:

League of Oregon Cities
ATTN. Kristie Marecek
P.O. Box 928, Salem, OR 97308
Email: kmarecek@orcities.org
FAX: (503) 399-4863

20-4

2013 State Senators

		District	Phone	Office	Email
Sen. Herman	Baertschiger Jr.	SD 02	503-986-1702	S-403	sen.hermanbaertschiger@state.or.us
Sen. Alan	Bates	SD 03	503-986-1703	S-205	sen.alanbates@state.or.us
Sen. Lee	Beyer	SD 06	503-986-1706	S-419	sen.leebeyer@state.or.us
Sen. Brian	Boquist	SD 12	503-986-1712	S-305	sen.brianboquist@state.or.us
Sen. Ginny	Burdick	SD 18	503-986-1718	S-213	sen.ginnyburdick@state.or.us
Sen. Betsy	Close	SD 08	503-986-1708	S-303	sen.betsyclose@state.or.us
Sen. Peter	Courtney	SD 11	503-986-1600	S-201	sen.petercourtney@state.or.us
Sen. Richard	Devlin	SD 19	503-986-1719	S-211	sen.richarddevlin@state.or.us
Sen. Jackie	Dingfelder	SD 23	503-986-1723	S-407	sen.jackiedingfelder@state.or.us
Sen. Chris	Edwards	SD 07	503-986-1707	S-405	sen.chrisedwards@state.or.us
Sen. Ted	Ferrioli	SD 30	503-986-1950	S-323	sen.tedferrioli@state.or.us
Sen. Larry	George	SD 13	503-986-1713	S-307	sen.larrygeorge@state.or.us
Sen. Fred	Girod	SD 09	503-986-1709	S-401	sen.fredgirod@state.or.us
Sen. Bill	Hansell	SD 29	503-986-1729	S-423	sen.billhansell@state.or.us
Sen. Mark	Hass	SD 14	503-986-1714	S-207	sen.markhass@state.or.us
Sen. Betsy	Johnson	SD 16	503-986-1716	S-209	sen.betsyjohnson@state.or.us
Sen. Tim	Knopp	SD 27	503-986-1727	S-309	sen.timknopp@state.or.us
Sen. Jeff	Kruse	SD 01	503-986-1701	S-315	sen.jeffkruse@state.or.us
Sen. Laurie	Monnes Anderson	SD 25	503-986-1725	S-413	sen.lauriemonnesanderson@state.or.us
Sen. Rod	Monroe	SD 24	503-986-1724	S-409	sen.rodmonroe@state.or.us
Sen. Alan	Olsen	SD 20	503-986-1720	S-425	sen.alanolsen@state.or.us
Sen. Floyd	Prozanski	SD 04	503-986-1704	S-415	sen.floydprozanski@state.or.us
Sen. Arnie	Roblan	SD 05	503-986-1705	S-417	sen.arnieroblan@state.or.us
Sen. Diane	Rosenbaum	SD 21	503-986-1700	S-223	sen.dianerosenbaum@state.or.us
Sen. Chip	Shields	SD 22	503-986-1722	S-421	sen.chipshields@state.or.us
Sen. Bruce	Starr	SD 15	503-986-1715	S-411	sen.brucestarr@state.or.us
Sen. Elizabeth	Steiner Hayward	SD 17	503-986-1717	S-215	sen.elizabethsteinerhayward@state.or.us
Sen. Chuck	Thomsen	SD 26	503-986-1726	S-316	sen.chuckthomsen@state.or.us
Sen. Doug	Whitsett	SD 28	503-986-1728	S-311	sen.dougwhitsett@state.or.us
Sen. Jackie	Winters	SD 10	503-986-1710	S-301	sen.jackiewinters@state.or.us

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2013 State Representatives

			District	Phone	Office	Email
Rep. Jules	Bailey	HD 42	503-986-1442	H-274	rep.julesbailey@state.or.us	
Rep. Jeff	Barker	HD 28	503-986-1428	H-480	rep.jeffbarker@state.or.us	
Rep. Phil	Barnhart	HD 11	503-986-1411	H-383	rep.philbarnhart@state.or.us	
Rep. Brent	Barton	HD 40	503-986-1440	H-275	rep.brentbarton@state.or.us	
Rep. Cliff	Bentz	HD 60	503-986-1460	H-475	rep.cliffbentz@state.or.us	
Rep. Vicki	Berger	HD 20	503-986-1420	H-479	rep.vickiberger@state.or.us	
Rep. Deborah	Boone	HD 32	503-986-1432	H-375	rep.deborahboone@state.or.us	
Rep. Peter	Buckley	HD 05	503-986-1405	H-272	rep.peterbuckley@state.or.us	
Rep. Kevin	Cameron	HD 19	503-986-1419	H-384	rep.kevincameron@state.or.us	
Rep. Brian	Clem	HD 21	503-986-1421	H-284	rep.brianclem@state.or.us	
Rep. Jason	Conger	HD 54	503-986-1454	H-477	rep.jasonconger@state.or.us	
Rep. John	Davis	HD 26	503-986-1426	H-389	rep.johndavis@state.or.us	
Rep. Michael	Dembrow	HD 45	503-986-1445	H-487	rep.michaeldembrow@state.or.us	
Rep. Margaret	Doherty	HD 35	503-986-1435	H-282	rep.margaretdoherty@state.or.us	
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Rep. Shemia	Fagan	HD 51	503-986-1451	H-492	rep.shemiefagan@state.or.us	
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Rep. Tim	Freeman	HD 02	503-986-1402	H-386	rep.timfreeman@state.or.us	
Rep. Joe	Gallegos	HD 30	503-986-1430	H-484	rep.joegallegos@state.or.us	
Rep. Chris	Garrett	HD 38	503-986-1438	H-283	rep.chrisgarrett@state.or.us	
Rep. Sara	Gelser	HD 16	503-986-1416	H-285	rep.saragelser@state.or.us	
Rep. Vic	Gilliam	HD 18	503-986-1418	H-385	rep.vicgilliam@state.or.us	
Rep. David	Gomberg	HD 10	503-986-1410	H-371	rep.davidgomberg@state.or.us	
Rep. Chris	Gorsek	HD 49	503-986-1449	H-486	rep.chrisgorsek@state.or.us	
Rep. Mitch	Greenlick	HD 33	503-986-1433	H-493	rep.mitchgreenlick@state.or.us	
Rep. Bruce	Hanna	HD 07	503-986-1407	H-382	rep.brucehanna@state.or.us	
Rep. Chris	Harker	HD 34	503-986-1434	H-485	rep.chrisharker@state.or.us	
Rep. Wally	Hicks	HD 03	503-986-1403	H-378	rep.wallyhicks@state.or.us	
Rep. Paul	Holvey	HD 08	503-986-1408	H-277	rep.paulholvey@state.or.us	
Rep. Val	Hoyle	HD 14	503-986-1900	H-295	rep.valhoyle@state.or.us	
Rep. John	Huffman	HD 59	503-986-1459	H-476	rep.johnhuffman@state.or.us	
Rep. Bob	Jenson	HD 58	503-986-1458	H-481	rep.bobjenson@state.or.us	
Rep. Mark	Johnson	HD 52	503-986-1452	H-489	rep.markjohnson@state.or.us	
Rep. Bill	Kennemer	HD 39	503-986-1439	H-380	rep.billkennemer@state.or.us	
Rep. Alissa	Keny-Guyer	HD 46	503-986-1446	H-281	rep.alissakenyguyer@state.or.us	
Rep. Betty	Komp	HD 22	503-986-1422	H-273	rep.bettykomp@state.or.us	
Rep. Tina	Kotek	HD 44	503-986-1200	269	rep.tinakotek@state.or.us	
Rep. Wayne	Krieger	HD 01	503-986-1401	H-381	rep.waynekrieger@state.or.us	

20-6

ORDINANCE NO. 1440

**AN ORDINANCE APPROVING AN AMENDMENT TO THE CITY'S
COMPREHENSIVE PLAN AND ZONING MAPS**

WHEREAS, a property owner applied to change the comprehensive plan designation and relevant zoning on his property (T2, R2E, Section 20DB, Tax Lots 11300-11700) (the "Property") from residential to commercial as specifically described in the findings attached to this ordinance;

WHEREAS, after holding a duly noticed public hearing, the Gladstone Planning Commission recommended the City Council deny the application;

WHEREAS, after holding a duly noticed public hearing, the Gladstone City Council approved the application.

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

Section 1. The Property's comprehensive plan designation is changed from single family residential to commercial.

Section 2. The Property's zoning designation is changed from R-5, single family residential to C-3, commercial.

Section 3. The City Administrator or his designee is authorized to amend Gladstone's comprehensive plan and zoning maps accordingly.

Section 4. This ordinance is supported by findings, attached as Exhibit A and incorporated into this ordinance by reference.

This ordinance is adopted by the Gladstone City Council and approved by Mayor Byers this 12th day of February 2013.

ATTEST:

Mayor Byers

Jolene Morishita
Assistant City Administrator

City of GLADSTONE

FINDINGS

Files: Z0549-11-CP & Z0550-11-Z

Date: February 12, 2013

Hearing(s): November 20, 2012 (PC) January 8, 2013 (Council)

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Police Department
535 Portland Avenue
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Public Library
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Senior Center
1050 Portland Avenue
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FAX: (503) 650-4840

City Shop
18595 Portland Avenue
Gladstone, OR 97027
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I. GENERAL INFORMATION

- A. PROPOSAL: Comprehensive Plan designation change and Zone change to apply the City's Commercial designation and the C-3 zone.
- B. Legal Description: T2, R2E, Section 20DB, Tax Lots 11300-11700
- C. North side of Arlington Street, from Columbia Avenue to just west of 82nd Drive.
- D. Current/proposed Plan designation: Single Family Residential/Commercial
- E. Current/proposed Zone designation: R-5, Single Family Residential/C-3, General Commercial
- F. Site Description: This is a group of five (5) properties totaling approximately 0.80 acres in size. Generally speaking the site is in residential use on residential size lots. The area is relatively flat and fully developed with public facilities.

II. INTRODUCTION

This request is subject to Chapter 17.68, Amendments and Zone Changes, of Title 17 of the Gladstone Municipal Code ("GMC"). The applicant has submitted information to address the applicable criteria. That information includes: (1) the applicant's October 11, 2012 submittal prepared by Stiven Planning Services

III. FINDINGS AND CONCLUSIONS

The Council has reviewed this request in reference to the applicable provisions GMC. Based upon this review, it makes the following findings and conclusions:

A. Comprehensive Plan Amendment and Zone Change

1. Chapter 17.68 establishes the approval criteria for a zone change. Policy 5(c) of the Plan Evaluation and Update chapter of the Comprehensive Plan states, "An amendment to this plan shall be treated like a zone change. The same procedure for a zone change shall be adopted." Thus, Chapter 17.68 of the GMC applies to the Comprehensive Plan amendment as well as the zone change. Chapter 17.68 requires that the applicant "must show by a preponderance of the evidence" the following:

17.68.050(1) *Granting the request fulfills a public need, the greater departure from present development policies or land use patterns, the greater the burden of the applicant.*

This application proposes to change an area currently zoned for and developed with residential use to commercial zoning and future commercial development. Current Plan/Zone designations are consistent with existing use of the properties. The proposal involves a modest departure from these policies and patterns. The applicant has submitted responses to this criterion, particularly on Pages 15 and 16 of the supplemental application materials. Referencing a vacant lands inventory, certain Plan provisions and other information, the applicant attempts to establish a need for Plan and Zone change. Clearly, the existing business is unable to expand on the subject property. Further, and based on the vacant lands analysis provided by the applicant, it also appears that expansion in this particular area of town is somewhat limited, with the applicant attempting to show the only reasonable option is to change the Plan/Zone designations on the subject property so that the use may be relocated there.

The applicant presented evidence and testimony to the Council as to why the business could not reasonably relocate and expand into other commercially zoned areas in the City (e.g. McLoughlin Corridor or Portland Avenue area). The reasons are particularly set out in the January 7 Stiven memo. The Council also received testimony from John Lewis, owner of the business on the subject property, stating that his search for alternative properties yielded no reasonable sites on which his business could relocate.

The Council finds this evidence substantial and the testimony credible. While certainly the plan amendment and zone change will personally benefit the applicant, the Council also believes that granting the request will fulfill a public need as well. As the record demonstrates, Gladstone has one of the highest percentages of residentially zoned properties in the metro area. Granting the request will increase the City's commercial tax base, however modestly. Consistent with testimony in the record, it is the Council's belief that commercial uses result in a net property tax increase relative to residential uses because commercial uses demand fewer municipal services on average than residential uses.

This criterion is met.

17.68.050(2) *The public need is best carried out by granting the petition for the proposed action, and that need is best served by granting the petition at this time.*

The Council believes the public need for additional commercial land in Gladstone is best met by approving this application. As discussed above, a long time Gladstone business is seeking to expand its operations and seeks to continue to do so in Gladstone. The applicant has presented evidence as to why it reasonably needs to own the site on which its business will operate and how there are no available properties for sale in the vicinity. The Council is not insensitive to the concerns of the neighbors. Ideally, all commercial properties would present no conflicts with residential properties. However, such boundaries must begin and end somewhere and generally speaking there will always be some residences next to some commercial uses. The Council notes that when and if the property develops, it will have to proceed through a design review process which will prioritize screening the use from adjacent residential uses.

Some suggested that it would be better to wait and amend the plan and zoning designation on the property as part of a holistic

review of uses in the area of the property. While the idea certainly has merit, the Council notes that it has generally not sought to impose use changes on properties but rather consider changes proposed by property owners themselves. The Council sees no reason to deviate from that approach here and as such, and based on the evidence and testimony in the record, it finds that the need for additional commercial uses in the city is best met by approving the application.

This criterion is met.

17.68.050(3) *The proposed action is consistent with the Comprehensive Plan and Metro's Functional Plan (Metro Code 3.07).*

The proposed zone change would be consistent with the Land Use chapter of the Plan if the Plan map is changed to commercial.

The Functional Plan provisions relevant to this proposal are addressed as follows:

Title 1, Housing and Employment Accommodation: The applicant contends the zone change will not impact the city's ability to meet Metro's housing targets, as less than 1% of the land zoned for residential use will be impacted, and that employment opportunities will be provided if the request is approved. The Council agrees.

Title 2, Regional Parking: future development plans would be required to meet parking standards as listed in the Gladstone Municipal Code.

Title 3, Water Quality, Flood Management and Fish and Wildlife Conservation: The site in question is not identified as a Water Quality of Flood Management Area.

Title 4, Industrial and Employment Areas: Metro maps and designates certain areas as Industrial and Employment Areas. The property in question is not located in any designated industrial or employment area.

Title 5, Neighbor Cities and Rural Reserves: This Title establishes Metro policy regarding areas outside the Metro urban growth boundary and has no effect in Gladstone.

Title 6, Central City, Regional Centers, Town Centers and Station Communities: The zone change would not amend any centers, corridors, station communities or main streets.

Title 7, Affordable Housing: The general intent of this Title is to ensure housing is provided for households of all income levels. The applicant states "this application involves a quasi-judicial Comprehensive Plan and Zone change and does not involve legislative action by Gladstone affecting affordable housing." The Council finds that Gladstone will continue to have an abundance of housing types available after this application is approved.

Title 8, Compliance Procedures: This Title establishes procedures for Metro to require compliance with the Functional Plan and not affected by this proposal.

Title 9, Performance Measures: This title does not apply to this proposal.

Title 10, Definitions: This title does not apply to this proposal.

Title 11, Planning for New Urban Areas: This title does not apply to this proposal.

Title 12, Protection of Residential Neighborhoods: This Title deals with protecting residential neighborhoods from air and water pollution, noise and crime and to provide adequate public services. The application is not directly affected by this Title.

Title 13: Nature in Neighborhoods. None of the property in this proposal is identified as habitat by Metro.

These criteria are met.

17.68.050(4) *Proof of significant change in a neighborhood or community or a mistake in the planning or zoning for the property under consideration, when relevant.* The applicant demonstrated that there exists a lack of available and suitable sites for a variety of commercial businesses to expand within the I-205 interchange commercial district. The Council agrees. The applicant also demonstrated that other commercially zoned areas of the city are either not appropriate for service-oriented businesses or are not appropriately zoned for uses allowed in the C-3 zone. The Council also notes that uses in the general vicinity the property have become increasingly commercial in nature (e.g. a Harley Davidson dealership, a gas station and various fast-food

restaurants have all appeared in the last 10 years). Therefore, the Council finds that the neighborhood has significantly shifted from a largely residential area to one that is increasingly commercial. Based on the evidence presented by the applicant, this criterion is met.

17.68.050(5) *The property and affected area is presently provided with, or concurrent with development can be provided with, adequate public facilities, including, but not limited to, transportation systems.* The subject property is an area fully served by public facilities, including adequate transportation systems. Applicant has presented a traffic study to support this conclusion. **This criterion is met.**

2. Findings are required concerning the Comprehensive Plan amendment's compliance with the Statewide Planning Goals and Guidelines.
 - a. Goal 1 - "Citizen Involvement" - The purpose of this goal is to provide citizens the opportunity to be involved in the planning process. Notices were mailed to the owners of properties within 250 feet of the subject property, and a minimum of two (2) public hearings will be held. Goal 1 is satisfied.
 - b. Goal 2 - "Land Use Planning" - Goal 2 requires local jurisdictions to adopt comprehensive plans and ordinances to implement those plans. This process for Comprehensive Plan amendment is consistent with the Gladstone Comprehensive Plan and Municipal Code, thereby satisfying Goal 2.
 - c. Goal 3 - Agricultural Lands - Gladstone has no designated agricultural lands. This goal is inapplicable.
 - d. Goal 4 - Forest Lands - Gladstone has no designated forest lands. This goal is inapplicable.
 - e. Goal 5 - Open Spaces, Scenic and Historic Areas, and Natural Resources - Goal 5 requires local jurisdictions to inventory a dozen types of natural and cultural resources, such as wetlands and wildlife habitat; determine which sites are significant; and undertake an evaluation to determine which sites will be protected and to what extent. The subject property does not include any sites or areas.
 - f. Goal 6 - Air, Water and Land Resources Quality - This Goal requires the Comprehensive Plan and implementing ordinances to be consistent with state and federal pollution standards. This

Goal is inapplicable to the proposed Plan amendment because the amendment does not seek to change the city's pollution standards.

- g. Goal 7 – Areas Subject to Natural Disasters and Hazards – This Goal covers development in areas subject to natural disasters and hazards, such as floods or landslides. The proposed Plan amendment will have no impact on the city's regulations pertaining to natural disasters and hazards. The subject property has not been identified as being at risk for a natural disaster or hazard that would be a basis for preventing the commercial development allowed by the new Plan designation.
- h. Goal 8 – Recreational Needs – This Goal requires the city to plan for recreation needs. The Comprehensive Plan designates such areas and this proposal does not adversely affect that planning.
- i. Goal 9 – Economy of the State – Goal 9 requires the city to plan and zone for an adequate supply of commercial and industrial land. The proposal furthers Goal 9 in that additional commercial land would result.
- j. Goal 10 – Housing – Goal 10 requires local jurisdictions to inventory residential lands and to accommodate an adequate supply of a variety of housing types. The proposed zone change would decrease city's supply of residential land by less than 1%.
- k. Goal 11 – Public Facilities and Services – This Goal requires local jurisdictions to plan for such public facilities and services as water, sewer and fire protection. Public Facilities and Services are available to serve this property.
- l. Goal 12 – Transportation – Goal 12 requires the city to adopt a transportation system plan (TSP) that provides for a variety of types of transportation facilities. The applicant provides information to show compliance with the Transportation Planning Rule and the adopted TSP. A traffic study is included with the application.
- m. Goal 13 – Energy Conservation – This Goal requires land use to maximize energy conservation. The proposed zone change will have no impact on the city's plan policies or implementing regulations regarding energy conservation.
- n. Goal 14 – Urbanization – This Goal requires the establishment of urban growth boundaries and planning for sufficient land to meet

urban needs. This Goal is inapplicable to Gladstone because the city is within the Metro urban growth boundary and all lands bordering the city are already urban lands.

- o. Goal 15 – Willamette Greenway – This Goal establishes procedures for administering the greenway that protects the Willamette River. The subject property is not within the greenway; therefore, this Goal is inapplicable.
- p. Goals 16 through 19 pertain to coastal jurisdictions only.

IV. ORDER

For the above reasons the Council approves the application.

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