

**GLADSTONE CITY COUNCIL
REGULAR MEETING
CITY HALL COUNCIL CHAMBERS
January 14, 2014**

**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 15, 2013 Work Session Minutes and December 10, 2013 Minutes
2. Approval of Resolution 1033 – Adopting a Revised Master Fee Schedule and Repealing Resolution 1003
3. Approval of Resolution 1034 – Adopting Updates to the City of Gladstone Addendum to the Clackamas County Multi-Jurisdictional Natural Hazards Mitigation Plan
4. Approval of Regional Justice Information Network Intergovernmental Agreement
5. Approval of Special Event Temporary Liquor License – Concept Entertainment Two, LLC - Latus Motors
6. Denial of Liquor License – Affordable Catering – Napoleons Deli 455 Portland Avenue
7. Appointments Boards, Commissions and Committees:
 - a. Park and Recreation Board
 - b. Traffic Safety Commission
8. Information Regarding 2013 Gladstone Cultural Festival City Expenses
9. Payment of December Claims

CORRESPONDENCE

10. Letter from Dewo M. Yadeto Regarding Municipal Court
11. Rose Johnson Response Memo from City Attorney
12. Letter Regarding New Library

REGULAR AGENDA

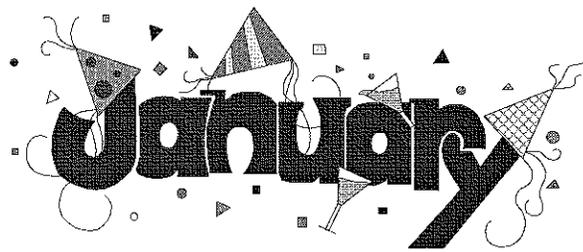
13. Exit Audits – Merina and Company, LLP
14. Appointment to Planning Commission
15. Appointment to Budget Committee
16. Appointment to Senior Center Advisory Board
17. Suggested Municipal Code Review Procedure Adopted by the Planning Commission
18. Discussion - Complaint and Request for Disciplinary Hearing from Planning Commissioner Craig Seghers
19. Ordinance 1442 – Adding a New Chapter 12.22 Regarding Special Events to the Gladstone Municipal Code
20. Ordinance 1443 – Adopting a New Chapter 5.60 of the Gladstone Municipal Code Regarding Permit Requirements for Security Alarm Systems
21. Library Facility

BUSINESS FROM THE COUNCIL

EXECUTIVE SESSION 192.660 (f) – To consider information or records that are exempt by law from public inspection. (No Attachments)

EXECUTIVE SESSION 192.660 (d) To conduct deliberations with persons designated by the governing body to carry on labor negotiations. (No Attachments)

ADJOURN



CONSENT AGENDA

GLADSTONE CITY COUNCIL/PLANNING COMMISSION
JOINT WORK SESSION
CITY HALL COUNCIL CHAMBERS
OCTOBER 15, 2013

ROLL CALL

The following city officials answered the roll call: Mayor Wade Byers and Councilors Hal Busch, Kari Martinez, Thomas Mersereau, Lendon Nelson and Neal Reisner; Commissioners Chair Tamara Stempel, Michele Kremers, Pat McMahon, Craig Seghers, Kim Sieckmann, and Kirk Stempel.

Absent: Councilor Ray Jaren

STAFF

Pete Boyce, City Administrator; David Doughman, City Attorney; City Planner Clay Glasgow; and Jolene Morishita, Assistant City Administrator.

Mayor Byers lead the flag salute.

BUSINESS FROM THE AUDIENCE

None

REGULAR AGENDA

1. Planning Commission's Review of Zoning Code. Pete Boyce, City Administrator reported he has had several conversations regarding the Comprehensive Plan. He is asking Council for guidance as to what they want the Planning Commission to do with the Comp Plan.

Councilor Mersereau noted at the last meeting the Mayor asked the Planning Commission to review codes and do an evaluation regarding land uses that people do not want in Gladstone (track redevelopment, encourage sustainability, review policies to include sustainability, mission, and value statements, strengthen the nuisance code). He asked if the Planning Commission addressed any of these issues. Answer: No, the Commission ran into a snag because of the sustainability portion of the request. It would require some Comprehensive Plan changes. In order to review the Comprehensive Plan it would be very expensive and they didn't want to proceed without the authority to do it.

Commission Chair Tamara Stempel reported she has reviewed the new Molalla Comp Plan, Lake Oswego Comp Plan and the West Linn Comp Plan and suggested that the City model their plan after some other recently redone Comp Plans. Most of the changes involve sustainability and updating of things that are not relevant today.

- The zoning code must be consistent with the Comprehensive Plan
- What are the things that need to be changed; make a list to be used as guide

City Planner Clay Glasgow stated the Comp Plan and Zoning Code are different documents. There can be changes made to the Zoning Ordinance without running it through the Comp Plan. The original (1979) state mandated Comp Plan was minimally changed in 1995 to include the

Transportation System Plan. He would look at the Comp Plan separate from the Zoning Ordinance; however, it can be done along with the Zoning Ordinance. Put in a chapter on sustainability and then weave sustainability throughout the document. It is not necessary to make a lot of changes to the Zoning Ordinance.

- It was suggested to make reasonable zoning changes and keep track of comprehensive plan issues.
- What aspects of sustainability would require a Comp Plan change? There are so many aspects of sustainability, urban planning, landscaping, sidewalks, community support, financial support, buildings, basically efficient use of the land and other resources. The sustainability element would have to be addressed at the Comp Plan level. It can be done through density, design standards, mixed use, energy efficiency, transportation, etc. There are financial benefits associated with people during the development. It can be woven throughout the Comp Plan. The City does not have to start from scratch; a model can be used and it can be personalized to what the City wants.
- Gladstone has the third highest rate of households below poverty in the County. The median income in the City is half of what it is in Happy Valley, Lake Oswego or West Linn. What can the City afford to do in respect of its populous and how much can be changed given what the City has. It would be nice to have all these great plans, but if it drives housing prices up or drive economic situations to a place where the people who are living here now can't live here, there is a problem. There needs to be a balance between doing things and keeping in mind the residents of the City. There needs to be a plan that will help feed and support the community. Maybe the community doesn't want things to be prettier, maybe they want to keep what they have in good shape. Small changes like lighting and sidewalks will help support pride in the City. People will start taking care of what they have and make sure other people take care of theirs too.
- Council was asked to give the Planning Commission support as to the amount of Comp Plan changes necessary to implement the divisions that the Planning Commission can come up with.
- Proactive code enforcement for Landlord/Tenant issues. It would be great to adopt some of Lake Oswego codes; they have gotten rid of these types of issues.
- Review codes to clarify their meaning. Make the language simple and straight-forward. Clear vision is a code that could be reviewed now and doesn't require a comprehensive plan change.
- Other codes to be addressed are a better definition of retail, restaurants (Napoleon's), tenants, and owner's pride.
- The City working with the residents of Gladstone will improve the pride and help solve the issues regarding code enforcement.
- Mayor Byers suggested the Planning Commission start with some obvious problems with the zoning and nuisance codes.

The Planning Commission was asked to start with Chapter 17 and work on commercial zones as a way to increase the assessed valuation. The Commission could also create an inventory of the various zones and types of land use currently in the City and upgrade the commercial zones. Another project would be to look at the parking codes in the C2, downtown area. The Commission will meet with the Council on January 28, 2014 with what they have accomplished in the months of November and December.

2. Discussion of Possible Increase of Commercial Zoning Areas.

- The Winterbrook study indicated there is nothing on the books that would restrict development on McLoughlin Blvd. Concerns were raised about redevelopment on McLoughlin Blvd including things Gladstone residents don't want.
- If you change some residential zones to commercial, expect there to be redevelopment. If the houses are changed to a business (auto mechanic garage) the business may not be worth what the houses were worth and it may not buy into the sustainability aspect that the City is trying to implement.

3. Other Discussion

City Planner Glasgow was asked to look at the new house on Harvard and Gloucester to see if the variance between the house and the property line meets requirements.

It was asked if the City has seedlings off the Powwow Tree? Mayor Byers said he collects seeds every year. He will bring some in.

Councilor Mersereau stated he felt the group had a great discussion tonight. There were a lot of issues discussed and a good plan going. He would like to see communication continue between the City Council and the Planning Commission.

Commissioner Sieckmann asked the Council about the idea of having the code enforcement officer attend the Planning Commission meetings. Mayor Byers stated it is a discussion between the enforcement officer and the Chief, not the Planning Commission.

Adjourn

The joint City Council/Planning Commission worksession adjourned at 9:00 p.m.

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

Attest:

Mayor

Assistant City Administrator

GLADSTONE CITY COUNCIL MEETING MINUTES – December 10, 2013

ROLL CALL

The following city officials answered the roll call: Mayor Wade Byers and Councilors Hal Busch, Ray Jaren, Lendon Nelson, and Neal Reisner.

ABSENT: Kari Martinez, Thomas Mersereau

STAFF

Rhonda Bremmeyer, Senior Center Director; Irene Green, Library Director; Heather Martin, City Attorney; Stan Monte, Fire Chief; Jolene Morishita, Assistant City Administrator; Jim Pryde, Police Chief; and Scott Tabor, Public Works Director.

Mayor Byers led the flag salute.

BUSINESS FROM THE AUDIENCE

Rose Johnson read a portion of the public records and meeting law, ORS 192.650 which governs the publication of minutes and recordings. The public meeting law requires that the governing body of a public body provide for sound to record the minutes. It shall include the following information. Members present, proposals, resolutions, etc., results of all votes, the substance of any discussion on any matter and a reference to any document discussed at the meeting. Whatever means of recording used it should have a true reflection of the matters discussed at the meeting and the views of the participants. At the October 15th joint meeting between the Council and Planning Commission, the minutes do not reflect her conversation, however many of the answers that were made to her during that discussion. In her opinion, this is a violation of state meeting law. She is pursuing this matter as a complaint.

Ms. Johnson is also concerned that the Planning Commission approved the minutes. They should have known that these minutes are not approvable because of the omissions under state law.

Mayor Byers explained the City Attorney has advised him to not approve the minutes until they have evaluated the complaint.

CONSENT AGENDA

Item(s) Removed from the agenda:

1. Approval of October 15, 2013 Work Session Minutes and November 12, 2013 Minutes
3. Approval of Personal Services Contract for Municipal Judge Linda Beloof
4. Janitorial Services Contract for Fire Department

Councilor Nelson moved and Councilor Jaren seconded a motion to approve Consent Agenda items:

2. *Senior Center Contract Amendment with Clackamas County Social Services Division*
 5. *Payment of November Claims*
- Motion carried unanimously.*

1. Approval of October 15, 2013 Work Session Minutes & November 12, 2013 Minutes Councilor Reisner corrected page 1-5 of the November 12, 2013 minutes replacing "City Councilor David Doughman" to "City Attorney Doughman."
3. Personal Services Contract for Municipal Court Judge Linda Beloof. Councilor Reisner noted the Charter states that City Council is supposed to appoint municipal judges. He asked if Judge Beloof should be the one picking a pro-tem judge for her absences. City Attorney Heather Martin explained the Charter requires the City Council appoint the municipal Judge. When City Attorney David Doughman looked into this issue he determined that Judge Linda Beloof would be able to appoint a pro-tem to step in. Indicated in her letter today, she has a designated pro-tem. The Council could make a motion to accept him as the pro-tem judge to act in her absence. This satisfies the rules for Oregon law for a personal contract.
4. Janitorial Services Contract for Fire Department. Councilor Reisner asked if City Hall, Fire Department, Police Department and possibly the library each has its own janitorial service. Assistant City Administrator Jolene Morishita stated City Hall, Senior Center and the Fire Department both use the same service with a separate contract for each department. The library and Police Department use a different service. The rate is set by the state because this is a state-run contract. Each department has different demands for service. City Attorney Martin reported that City Attorney David Doughman is working on a policy for service contracts.

*Councilor Reisner moved and Councilor Busch seconded a motion to approve Agenda Items #1, Approval of November 12, 2013 as revised; #3, Personal Services Contract for Fire Department and #4, Janitorial Services Contract for Fire Department. .
Motion carried unanimously.*

*Councilor Busch moved and Councilor Jaren seconded a motion to approve Michael Haines as the pro-tem judge.
Motion carried unanimously.*

5. **CORRESPONDENCE** -- Mayor Byers acknowledge receipt of:
 - Several items of correspondence from Rose Johnson some of which is being evaluated by the City Attorney.
 - A letter from Steve Johnson regarding the Lynx cat.

REGULAR AGENDA

7. Rotary Gladstone Cultural Festival. Steve Lietz, owner of Gladstone Baskin and Robins, 19510 McLoughlin Blvd is here tonight representing the Rotary Club in regards to the Gladstone Cultural Festival. They made the event successful last year and he is here tonight to ask for approval to do the festival again this year. Mayor Byers asked Mr. Lietz to prepare a formal request for the Council to approve. City Attorney Martin noted that last year the City approved a contract that set out the terms for the festival. She asked that Mr. Lietz review last year's contract to revisit if they want the same terms and department contacts and bring that before Council for this year's approval.

Rose Johnson asked if the cultural festival made money last year and if so is that amount of profit available for use this year. How much did the City spend to support the festival last year. Assistant Administrator Morishita stated there were expenses that the City incurred; some based on the contract and others that that the Rotary paid for. The City Administrator requested that the City not ask for reimbursement from the Rotary for specific expenses. Ms. Johnson noted there may be a competitive bid this summer for an event and asked if the City will be putting the festival out to other bidders? Mayor Byers explained the festival is a private event, not a city event.

8. Discussion of Definition of Service Animal, Companion Animal and Therapy Animal. City Attorney Martin submitted a memo explaining the definitions of a Service Animal, Companion Animal and Therapy Animal. A "service animal" is a dog that is trained to help people with a disability (typically sight or hearing); a "companion animal" is a term for a pet, most always a dog or cat and a lynx does not qualify as a "domestic cat;" and a "therapy animal" helps with psychological issues like depression, anxiety, social phobias, etc. and are trained by a certified trainer (usually dogs, cats, rabbits, horses, goats and guinea pigs).

The state is not going to permit any more exotic animals. Originally they indicated they may make an exception in this case, however, the state veterinarian has indicated to her most recently that they would not. Regardless of what the City does, it doesn't appear that the animal would be allowed under state law.

Questions from Council

- Question: Has staff given a copy of the memo to Mr. Clark? Answer: Mr. Clark was given a copy. Mr. Clark stated he did not mean to put the City into this situation and appreciated all that has been done. He is tired of fighting this issue and he will put her down. He wanted to put on record that he is not irresponsible. City Attorney Martin suggested the Council motion to give Mr. Clark 30 days

*Councilor Jaren moved and Councilor Busch seconded a motion to allow Mr. Clark 30 days to debate the nuisance with no fine and in 30 days the Council could revisit the issue.
Motion carried unanimously.*

9. Utility Billing Proposal. Assistant City Administrator Morishita reported staff is proposing changes to the City's utility (water/sewer) billing process in order to more efficiently process bills and save money. They are asking for Council to review the changes and provide guidance to:

- Making utility bills to property owners only (grandfathering in current tenants)
- Terminating utility billing to current grandfathered tenants if they are delinquent in three payment cycles.
- Eliminating one of the three late notices

Elizabeth Taylor reported she has been the utility clerk for 21 years and with the City for 27 years. Staff is looking to streamline the notices from 4 to 3; not 4 late notices. The \$1 charge for notices does not pay the cost of mailing.

It was a general consensus that the Council supports staff's changes in the water department.

10. Discussion of Possible Inclusion of the Long Range Planning Tool and City Council Guidelines. Councilor Reisner asked if the documents are complete so they can include them in the Master Plan. Mayor Byers explained it was put on hold until the Master Plan is complete.

Rose Johnson stated that the forecast is based on the budgeted amount received for property taxes and it should be the actual amount in dollars in a year. It is always less than the budgeted amount. The forecast should be based on the actual numbers rather than the budgeted amount.

*Councilor Reisner moved and Councilor Busch seconded a motion to adopt the Long Range Planning Tool and City Council Guidelines as a means to help plan for the future.
Motion carried unanimously.*

BUSINESS FROM THE COUNCIL

- Councilor Busch attended the Command staff meeting for the Police Department. Staff is constantly working to make the Police Department better. It was an honor to be invited.
- Councilor Busch reported he attended a meeting on December 4th for the Fire Department. The department call-out number was 113 calls for the month of November.
- Emergency sandbags for City residents are set up at the City shops inside the gates.
- The new Fire Engine 101 will be on-site April 15th.
- The Fire Department has submitted a grant for new radios (34 portable and 7 mobiles) at the cost of \$250,000.
- There will be a Senior Center Christmas Luncheon held on Tuesday, December 17th at 11:30 a.m. Over 130 people will be attending. Please call for reservations. Volunteer servers are needed.
- Councilor Nelson stated he received an e-mail from Clackamas County Coordinating Committee regarding approval of a gas tax. The timeframe was too short to include the proposal in the packet.
- Councilor Reisner reminding everyone of the Santa Library event on December 11th from 4:45 to 5:45 at the library.
- Mayor Byers announced the passing of Harriet Jorgensen. There was a celebration of life at their family house. Ms. Jorgensen contributed much to the community; she will be missed.
- Mayor Byers announced there are board and committee openings that will be appointed in January. Applications are being taken.
- The Kiwanis is having a breakfast on Saturday, December 14th at the Senior Center at 8:00 a.m.
- The Gladstone Business Association will be meeting December 11th at 5:00 p.m. They are asking that everyone attending bring a gift for a child. The Fire Department will include those gifts with their Christmas project.
- The Historical Society will be selling history books and honoring Herb Beals.

- Mayor Byers reported he attended a meeting at Head Start. It was its 40th Anniversary. They acknowledged the contribution of the Gladstone community. They acquired a church on River Road and made it into their headquarters.
- Mayor Byers stated he attended a meeting in Oregon City regarding “safe place.” Craig Roberts acknowledged the contributions of Gladstone’s police chief in helping with the Family Justice Center.

The Council wished everyone a merry Christmas and happy New Year.

ADJOURN

Mayor Byers adjourned the Council Meeting at 8:15 p.m. into Executive Session 192.660 (f) to consider information or records that are exempt by law from public inspection.

The next City Council meeting was adjourned to _____, 2014, at 7:30 p.m.

Approved by the Mayor this _____ day of _____, 2014.

Attest:

Mayor

Assistant City Administrator

City of GLADSTONE

Date: January 9, 2014

To: Mayor Byers and City Council

From: Pete Boyce, City Administrator *PB*

Re: Master Fee Schedule Resolution

At its November 12, 2013 regular meeting City Council was presented with a draft master fee resolution for comment. Staff has revised the draft as directed and is presenting the resolution for consideration.

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

RESOLUTION NO. 1033
CITY OF GLADSTONE, OREGON

A Resolution Adopting A Revised Master Fee Schedule and Repealing Resolution 1003

WHEREAS, the Gladstone City Council is authorized by the Gladstone Municipal Code to adopt certain fees; and

WHEREAS, the City Council last revised the master fee schedule in August 2011 through Resolution 1003; and

WHEREAS, the City Council desires to adopt an updated master fee schedule.

The City of Gladstone Resolves as follows:

SECTION 1. The City of Gladstone repeals Resolution 1003 and adopts the revised master fee schedule as set forth in the attached Exhibit A.

SECTION 2: This resolution is effective immediately upon adoption by the City Council.

ADOPTED this _____ day of January, 2014.

ATTEST:

Wade Byers, Mayor

Jolene Morishita, Assistant City Administrator

City of Gladstone
Resolution No. 1033, Exhibit "A" - Master Fee Schedule

ADMINISTRATION	FEE
Adopted Budget	\$ 45.00
Blasting Permit Fee	\$ 5,000.00
Blasting Permit Inspections each (after first two inspections)	\$ 2,000.00
Business License Base Fee (Non-Resident)	\$ 125.00
Business License Base Fee (Resident)	\$ 100.00
Business License Commencing July-December (Non-Resident)	\$ 75.00
Business License Commencing July-December (Resident)	\$ 50.00
Business License fee for each FTE	\$ 5.00
Business License for Rental Property in Gladstone (per address)*	\$25.00
Business License Past Due Fee per month	\$ 10.00
DVD/CD	\$ 20.00
Franchise Review	\$ 5,000.00
Home Occupation	\$ 50.00
Liquor License Review	
Original Application	\$ 100.00
Change in ownership, location, or privilege	\$ 75.00
Renewal or temporary application	\$ 35.00
Lien Search	\$ 30.00
Notary Fee (Non-Resident)	\$ 10.00
Notary Fee (Resident)	\$ 5.00
NSF Check Charge	\$ 35.00
Parking Permits	\$ 25.00
Penalty for work commencing before application approval	Investigation fee equal to permit fee
Photocopies B&W up to 8 x 14	\$ 0.25
Postage and Handling Flat Fee + actual cost of postage	\$ 1.00
Public Records Administrative Research per hour (quarter hour increment charge)	based on hourly rate

① ②

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Public Records Clerical Research per hour (quarter hour increment charge)		based on hourly rate
Public Records Legal Research per hour (quarter hour increment charge)		based on hourly rate
Public Records Request Deposit (large) toward hourly rate	\$	100.00
Public Records Request Deposit (small) toward hourly rate	\$	25.00
Returned Check Charge/processing	\$	35.00
Road Re-Naming	\$	150.00
Special Event Application* (plus actual staff costs for employees specifically needed to work the event)	\$	100.00

FIRE

Fire Log Report	\$	15.00
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LIBRARY

Annual Out-of-District Resident Library Card	\$	95.00
Barcode Replacement	\$	1.00
CD Booklet or Missing Artwork	\$	3.00
CD Case (double)	\$	3.00
CD Case (single)	\$	1.50
Damaged Items		Replacement Cost
Kits (bag with barcode missing)	\$	2.00
Late Charge (per day); Maximum per item: \$3 children/\$5 adult	\$	0.25
Lost Cultural Pass (varies from \$75.00-\$200.00)		Replacement Cost
Lost Items		Replacement Cost
Lost Library Card	\$	1.00
Photocopies (first two pages of non-circulating materials are free)		
Black and White Copies (per page)	\$	0.10
Color Copies (per page)	\$	0.50
Print Material Missing Cover	\$	2.00
Test Proctoring (per test)	\$	25.00

PARKS AND RECREATION

Softball/Baseball Tournaments (per day/per field)	\$	55.00
Softball/Baseball Non-Gladstone Leagues Only (per team)	\$	27.50
(per field)	\$	11.00

Softball/Baseball Picnic Use (per day/per field)	\$	11.00
Soccer Field Reservation (per day/per field)	\$	44.00
Soccer League Play for Gladstone Residents (per team/per field)	\$	5.00
Soccer League Play for Non-Gladstone Residents (per team/per field)	\$	20.00

PLANNING AND BUILDING

The City of Gladstone contracts with Clackamas County for planning and building services, fees for those applications and services are set by the County

POLICE

A-Frame Sign Permit	\$	100.00
Address Record Print (per address)	\$	5.00
Alarm Permit*		
Initial Permit or Renewal		25.00
Late Fee (after 30 days expiration or installation)		25.00
Second False Alarm (within permit year)		50.00
Third False Alarm (within permit year)		100.00
Fourth and Each Subsequent Alarm (within permit year)		150.00
Failure to obtain Alarm Permit		90.00
Animal Permit Application (per year)	\$	25.00
Block Party	\$	35.00
Human Resources Police Application (due at submission)	\$	20.00
ID Theft		Victim Free
Local History Printout (per record)	\$	5.00
Noise variance	\$	75.00
Nuisance Property Abatement		Actual Cost
Officer's Notes (per entry)	\$	5.00
Police Report (first 5 pages)	\$	10.00
Police Report (page 6 and over) each page	\$	1.00
Radar Certification (per record)	\$	5.00
Temporary Storage Container		50.00
Vehicle Impound (after business hours)	\$	125.00
Vehicle Impound (during regular business hours)	\$	100.00

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PUBLIC WORKS

Barricade Delivery and Pickup Fee	50.00
Contractor Hydrant Hook-up Application (plus water meter costs)*	50.00
Dye Test Residential/Commercial	100.00
Erosion Control Violation	300.00
Fire Hydrant Water Permit (per hook up + cost of actual water)*	50.00
Street Opening Inspection Fee	85.00
Street Opening Permit Fee	150.00
Street Opening Re-Inspection Fee	85.00

SENIOR CENTER

Building Rental (per hour) Non-Profit	40.00
Building Rental (per hour) Private Party	50.00
Building Rental (per hour) Profit Making	70.00
Fax (per page - staff only)	1.00
Kitchen Fee	50.00
Meal (suggested donation) under 60 years	2.50
Meal (suggested donation) over 60 years	5.00
Newsletter Subscription (per year)	8.00
Photocopy (per page)	0.25
Van Donation (suggested donation) each way	1.00
Friday Excursions (\$7-\$25)	varies

SEWER DEPARTMENT

Sewer Inspection Fee, except mobile homes, motor homes and travel trailers	50.00
Sewer Insepction Fee for mobile homes, motor homes, and travel trailers	25.00
Oak Lodge Monthly Retail Sewer Fee (portion retained by City)	5.39
Tri-City Sewer District Monthly Retail Sewer Fee (portion retained by City)	7.87
Clackamas County Sewer District #1 Monthly Retail Sewer Fee (portion retained by City)	7.87

UTILITIES

Low Income Rate Violation -	ORS 164.125 sets fee
Mailed Late Notice/Shut Off Notification	5.00
Shut Off Door Hanger	25.00

Shut Off Water	25.00
Turn On Water (during business hours)	25.00
Turn On Water (after business hours)	175.00

* Fee in effect only after applicable code provisions have become effective



Gladstone Police Department Memorandum

TO: Pete Boyce, City Administrator

FROM: Jim Pryde, Chief of Police

DATE: January 6, 2014

SUBJECT: **Adopting Updates to the City of Gladstone Addendum to the Clackamas County Multi-Jurisdictional Natural Hazards Mitigation Plan**

I am recommending adoption of the attached resolution. In February 2010, the City of Gladstone adopted the City of Gladstone Addendum to the Clackamas County Natural Hazards Mitigation Plan. The adoption of this plan is a required condition of future funding for mitigation projects under multiple FEMA pre- and post-disaster mitigation grant programs.

In 2012 a community committee updated the City of Gladstone addendum to the Clackamas County Multi-Jurisdictional Natural Hazards Mitigation Plan. The updated addendum was reviewed by the Oregon Office of Emergency Management and FEMA and was pre-approved by them in 2013.

Adoption of this resolution benefits the City of Gladstone by creating funding sources through FEMA related to disaster mitigation grants.

RESOLUTION NO. 1034

A Resolution Adopting Updates to the City of Gladstone Addendum to the Clackamas County Multi-Jurisdictional Natural Hazards Mitigation Plan

WHEREAS, the City of Gladstone recognizes the threat that natural hazards pose to people, property and infrastructure within our community; and

WHEREAS, undertaking hazard mitigation actions will reduce the potential for harm to people, property and infrastructure from future hazard occurrences; and

WHEREAS, an adopted Natural Hazards Mitigation Plan is required as a condition of future funding for mitigation projects under multiple FEMA pre- and post-disaster mitigation grant programs; and

WHEREAS, the City of Gladstone adopted the *City of Gladstone Addendum to the Clackamas County Natural Hazards Mitigation Plan*, on February 9, 2010, and

WHEREAS, Clackamas County has subsequently completed an update to the *Clackamas County Multi-Jurisdictional Natural Hazards Mitigation Plan* of which the City of Gladstone is party to; and

WHEREAS, the City of Gladstone has updated its addendum to the *Clackamas County Multi-Jurisdictional Natural Hazards Mitigation Plan* to reflect new information contained therein through the creation of a new appendix (*Appendix D*), and

WHEREAS, the Oregon Office of Emergency Management and Federal Emergency Management Agency, Region X officials have reviewed and approved the *Clackamas County, Multi-Jurisdictional Natural Hazard Mitigation Plan* (dated April 8, 2013) and pre-approved *Appendix C* of the *City of Gladstone Addendum to the Clackamas County Natural Hazards Mitigation Plan* (dated, _____) contingent upon this official adoption of the participating governments and entities;

NOW, THEREFORE, BE IT RESOLVED, that the City of Gladstone adopts *Appendix D: City of Gladstone Addendum to the Clackamas County Natural Hazards Mitigation Plan 2013 Amendments and Update*; and

BE IT FURTHER RESOLVED, with adoption of *Appendix D*, the *City of Gladstone Addendum to the Clackamas County Multi-Jurisdictional Natural Hazards Mitigation Plan* is updated to reflect the changes identified in said appendix, and

BE IT FURTHER RESOLVED, that the City of Gladstone will submit this Adoption Resolution to the Oregon Office of Emergency Management and Federal Emergency Management Agency, Region X officials to enable final approval of the *City of Gladstone Addendum to the Clackamas County Multi-Jurisdictional Natural Hazards Mitigation Plan*.

ADOPTED this _____ January, 2014.

ATTEST:

Wade Byers, Mayor

Jolene Morishita, Assistant City Administrator

Appendix D: City of Gladstone

Addendum to the Clackamas County Natural Hazards Mitigation Plan 2012 Amendments and Update

The Oregon Partnership for Disaster Resilience prepared this Appendix to the City of Gladstone Addendum to the Clackamas County Natural Hazard Mitigation Plan (Gladstone Addendum) as part of the 2011-12 update to the Clackamas County Natural Hazard Mitigation Plan. Upon local adoption, the appendix will become part of the Gladstone Addendum and will ensure that the City of Gladstone maintains FEMA Pre-Disaster Mitigation Program eligibility as well as compliance with the Clackamas County NHMP.

This appendix is organized according to the sections outlined in the Gladstone Addendum. A description of each section is presented below with proposed changes and updates following each.

Section 1: Planning Process

The planning process section of the Gladstone Addendum describes the activities used by the steering committee and community to develop the plan. Updates to the Planning Process section are as follows:

On Page 5, following the "Plan Update Changes by Section" subsection, insert the following section:

1.3 2012 Addendum Update

In accordance with the county's Natural Hazards Mitigation Plan update, the City of Gladstone participated in the update of their addendum. By doing so, Gladstone will now be aligned with the county, and will update their NHMP in five years.

2012 Committee members included:

- Maria Aiken, Gladstone Police
- Barbara Bell, GEMS
- Lee Jundt, Gladstone Police
- Len Nelson, Gladstone City Council
- Jim Pryde, Gladstone Police
- Jeff Smith, Gladstone Fire
- Scott Tabor, Gladstone Public Works

2012 Planning Process

The RARE Participant and Clackamas County Emergency Management developed and facilitated one plan update meeting with the Hazard Mitigation Advisory Committee on June 12, 2012. Please see Appendix A for the meeting agenda and minutes.

NHMP Update Meeting - June 12, 2012: The participant worked with the city lead to convene the steering committee and meet to review and update the city's Natural Hazards Mitigation Plan Addendum. Because the county is in the process of updating their NHMP, each of the cities were required to update their addendums, regardless of when their plan was last updated or developed. As part of this meeting, the steering committee reviewed the county's updated hazard assessment and made necessary changes to their hazard assessment, if necessary. The committee also reviewed their list of community assets to determine if any new additions or changes needed to be made. The committee also reported on progress made to the action items listed in the current NHMP. The committee reviewed the mitigation strategy and plan implementation and maintenance pieces and made changes if necessary.

On Page 8, second paragraph following the "Formal Review Process" subsection, delete the entire paragraph and replace with the following paragraph:

Semi Annual Meetings

The HMAC will meet on a semi annual basis to review, implement and update information in the addendum. Additional meetings may be scheduled when necessary. ~~During the first meeting, the HMAC will:~~

Annual Meeting

The HMAC will meet once a year. The meeting will be coordinated by the convener. This meeting will debrief on the previous hazard seasons and prepare for the upcoming hazard seasons. In addition to debriefing and preparing for the upcoming hazard seasons, the committee will:

On Page 8, first sentence following the first set of bullets under the "Formal Review Process" subsection, delete the following sentence:

~~During the second meeting of each year, the HMAC will:~~

On Page 8, first paragraph following the set of bullets under the "Formal Review Process" subsection, insert the following paragraph:

The convener, or city lead designee, will be responsible for meeting annually with the county Hazard Mitigation Coordinator. This meeting will provide a chance for each of the city leads to meet together and discuss updates and progress with the Hazard Mitigation Coordinator. The convener will report back to the HMAC with information gathered. The Coordinator will be responsible for setting up the meeting, and providing the city leads with

updates on new studies or potential funding opportunities for mitigation projects.

On Page 8, third paragraph following the “Formal Review Process” subsection, delete the first sentence and replace with the following sentence:

~~*The Gladstone Police Chief will be responsible for organizing, facilitating, and documenting the outcomes of semi-annual meetings.*~~

The Gladstone Police Chief will be responsible for documenting the outcome of the annual meeting, as well as the meeting with the county’s Hazard Mitigation Coordinator.

Section 2: Community Profile

The community profile section of the Gladstone Addendum describes a variety of community characteristics specific to the City of Gladstone. Based on new information compiled during the Clackamas County NHMP update process, updates to the Gladstone Addendum include the following:

On Page 23, Paragraph 2 of the “Historic and Cultural Resources” subsection, edit the following sentence:

- ~~*Each July, there is a large celebration of the venue and its unique history.*~~
- *Each August, there is a large celebration of the venue and its unique history.*

Section 3: Hazard Assessment

The hazard assessment section of the Gladstone Addendum provides information on identifying hazards based on their geographic location, probability, and intensity; vulnerability assessment and inventory of community assets, and; a risk analysis estimating potential losses from each hazard. Based on new information compiled during the Clackamas County NHMP update process, updates to the Gladstone Addendum include the following:

On Page 26, list of Critical Facilities & Infrastructure under section “Community Assets: Vulnerability Assessment” add the following bullets:

- *Gladstone Senior Center (EOC)*
- *City Hall*
- *Sanitary Sewer Collection System and Pump Station*

On Page 26, list of Critical Facilities & Infrastructure under section “Community Assets: Vulnerability Assessment” delete the following bullet and replace with:

- ~~*Tri-City Baptist – Red Cross Shelter*~~
- *Tri-City Baptist – Red Cross Shelter (Backup EOC)*

On Page 26, list of Essential Facilities under section "Community Assets: Vulnerability Assessment" delete the following bullets:

- ~~Sewer Pump Station & Treatment Facility~~
- ~~Evergreen Lane~~
- ~~River View Care Center~~
- ~~Dr. King's Office~~

On Page 27, list of Vulnerable Populations under section "Community Assets: Vulnerability Assessment" delete the following bullet:

- ~~River View Care Center~~

On Page 27, list of Vulnerable Populations under section "Community Assets: Vulnerability Assessment" add the following bullets:

- Gladstone Center for Children and Families (GCCF)
- 7th Day Adventist Annual Conference in July – Gladstone Park

On Page 27, list of Economic Assets/Populations Centers under section "Community Assets: Vulnerability Assessment" add the following bullet:

- 7th Day Adventist Camp

On Page 27, list of Environmental Assets under section "Community Assets: Vulnerability Assessment" delete the following bullet and replace with:

- ~~McLoughlin/Risely Wetland~~
- Olsen Wetland

Section 4: Natural Hazards

The Natural Hazards section of the Gladstone Addendum describes the types, causes, characteristics and relative risk posed by each individual natural hazard for the city of Gladstone. Based on new information compiled during the Clackamas County NHMP update process, updates to the Gladstone Addendum include the following:

On Page 42, insert the following sentence at the end of Paragraph 1 of the "Flood Mitigation Action Items" subsection:

The updated action items detailing progress up to 2012 can be found in Appendix C of this plan.

On Page 43, Remove all of the action items following Paragraph 1 of the "Flood Mitigation Action Items" subsection and move them to Appendix C.

On Page 51, insert the following sentence at the end of Paragraph 1 of the "Landslide Mitigation Action Items" subsection:

The updated action items detailing progress up to 2012 can be found in Appendix C of this plan.

On Page 51, Remove the action item following Paragraph 1 of the "Landslide Mitigation Action Items" subsection and move it to Appendix C.

On Page 57, insert the following sentence at the end of Paragraph 1 of the "Wildfire Mitigation Action Items" subsection:

The updated action items detailing progress up to 2012 can be found in Appendix C of this plan.

On Page 57, Remove the action items following Paragraph 1 of the "Wildfire Mitigation Action Items" subsection and move it to Appendix C.

On Page 61, remove the section, "Severe Storms: Wind and Winter" and replace with:

~~*Severe Storms: Wind and Winter*~~

Severe Weather: Wind, Winter, and Extreme Heat

On Page 61, remove the section, "Severe Storms Hazard Assessment" and replace with:

~~*Severe Storm Hazard Assessment*~~

Severe Weather Hazard Assessment

On Page 62 after Paragraph 5 of the "Severe Weather Hazard Assessment" subsection, insert the following paragraph:

Extreme heat has a low threat in Gladstone. The HMAC estimates the probability for future extreme heat events is 'low,' meaning one incident is likely within a 75 to 100 year period. This estimate is lower than the county's 'high' rating. The vulnerability estimate of future extreme heat events is 'moderate,' meaning between 1% and 10% of the population and assets would be affected in a major event. This estimate is the same as the county's 'moderate' rating.

On Page 62, remove the section, "Existing Severe Storm Mitigation Activities" and replace with:

~~*Existing Severe Storm Mitigation Activities*~~

Existing Severe Weather Mitigation Activities

On Page 62, remove the section, "Existing Severe Storm Mitigation Activities" and replace with:

~~*Severe Storm Mitigation Action Items*~~

Severe Weather Mitigation Action Items

On Page 62, insert the following sentence at the end of Paragraph 1 of the "Severe Weather Mitigation Action Items" subsection:

The updated action item detailing progress up to 2012 can be found in Appendix C of this plan.

On Page 62 Remove the action item following Paragraph 1 of the "Severe Weather Mitigation Action Items" subsection and move it to Appendix C.

On Page 63, Paragraph 2 of the "Earthquake Hazard Assessment" subsection, delete the first two sentences of the paragraph and replace with the following:

~~*The HMAC estimates that the probability of an earthquake occurring in Gladstone is 'high,' meaning one event is likely to occur within a 10 to 35 year period. This is in agreement with the county's 'high' rating as well*~~

The HMAC estimates that the probability of an earthquake occurring in Gladstone is 'high,' meaning one event is likely to occur within a 10 to 35 year period. This is higher than the county's 'moderate' ranking.

On Page 66, insert the following sentence at the end of Paragraph 1 of the "Earthquake Mitigation Action Items" subsection:

The updated action item detailing progress up to 2012 can be found in Appendix C of this plan.

On Page 66, Remove the action item following Paragraph 1 of the "Earthquake Mitigation Action Items" subsection and move it to Appendix C.

On Page 74, Paragraph 4 of the "Volcanic Eruption Hazard Assessment" subsection, delete the last sentence and replace with:

~~*This is in agreement with the county's 'high' vulnerability rating as well.*~~

This is higher than the county's 'moderate' vulnerability rating.

On Page 74, following the "Volcano" subsection, insert the following new "Drought" subsection:

Drought Profile

The Clackamas County Multi-Jurisdictional Natural Hazards Mitigation Plan adequately describes the causes and characteristics, history, location, extent and impacts of drought affecting the city of Gladstone. Descriptions of

the drought hazard can be found on DR-1 to DR-6 in Volume II of the 2013 of the 2012 Clackamas County Natural Hazards Mitigation Plan update.

The probability of drought in Gladstone was determined using scientific data, historical occurrences, and local knowledge. The HMAC estimates the probability of drought to be 'moderate' meaning one incident is likely within a 35 to 75 year period. This is in agreement with the county's 'moderate' rating. The HMAC estimates that Gladstone has a 'low' vulnerability to drought conditions, meaning less than 1% of the population could be affected in a large-scale regional event. This is in agreement with the county's 'low' rating.

Drought Mitigation Activities

The existing drought hazard mitigation activities are conducted at the county, regional, state, and federal levels and are described in the Clackamas County Natural Hazards Mitigation Plan. As such, the information will not be repeated here.

Drought Mitigation Action Items

The city of Gladstone does not believe that implementing drought-related mitigation activities will be cost-effective at this time. As such, the city has not identified drought mitigation action items. Gladstone will partner with Clackamas County, however, on the implementation of mitigation strategies that benefit both jurisdictions.

On Page 75, Delete sentence 1 of Paragraph 1 of the "Multi-Hazard" section and replace with:

~~Multi-Hazard Action Items (MH)~~

~~*Multi-Hazard action items are those activities that pertain to all seven hazards in the mitigation plan: flood, landslide, wildfire, severe winter storm, windstorm, earthquake, and volcanic eruption.*~~

Multi-Hazards

Multi-Hazard action items are those activities that pertain to all seven hazards in the mitigation plan: flood, landslide, wildfire, severe winter storm, windstorm, extreme heat earthquake, and volcanic eruption.

On Page 75, insert the following sentence at the end of Paragraph 1 of the "Multi-Hazard" section:

The updated action items detailing progress up to 2012 can be found in Appendix C of this plan.

On Page 75, Remove all of the action items following Paragraph 1 of the "Multi-Hazard Mitigation Action Items" subsection and move them to Appendix C.

Section 5: Mitigation Planning Priority System

The Mitigation Planning Priority Section of the Gladstone Addendum describes the project review and prioritization process for the action items outlined for each hazard in Section 4: Natural Hazards. Based on new information compiled during the Clackamas County NHMP update process, updates to the Gladstone Addendum include the following:

On Page 79, delete Paragraph 1 of the "Action Items" subsection and replace with the following:

~~Short and long-term action items identified through the planning process are an important part of the mitigation plan. Action items are detailed recommendations for activities that local departments, citizens and others can engage in to reduce risk. Full action items descriptions are located in the corresponding hazard section of this addendum. Descriptions include ideas for implementation, and coordinating/partner organizations.~~

Action items are identified through the planning process are an important part of the mitigation plan. Action items are detailed recommendations for activities that local departments, citizens, and others could engage in to reduce risk. Full action item descriptions with the 2012 updated progress are located in Appendix C of this addendum. Descriptions include ideas for implementation, and coordinating/partner organizations.

On Page 80, Paragraph 2 of the "Action Items" subsection, delete the first two sentences of the paragraph and replace with the following:

~~Note: the City of Gladstone does not believe that implementing volcano-related mitigation activities will be cost effective at this time. As such, the city has not identified volcanic eruption mitigation action items.~~

Note: the City of Gladstone does not believe that implementing drought and volcanic-related mitigation activities will be cost-effective at this time. As such, the city has not identified drought or volcanic-eruption mitigation action items.



Gladstone Police Department Memorandum

TO: Pete Boyce, City Administrator

FROM: Jim Pryde, Chief of Police

DATE: January 6, 2014

SUBJECT: Regional Justice Information Network (RegJIN) – Master Intergovernmental Agreement

As you know, our current law enforcement records system – Portland Police Data System (PPDS) is being retired and replaced in 2014 with a new system called RegJIN. We will be joining 39 other law enforcement agencies in 5 counties who are part of RegJIN.

In order to facilitate this change, I recommend signing the attached master intergovernmental agreement as one of the user agencies. RegJIN will improve our capabilities and efficiencies in investigating crime and has a report writing component that will eventually allow GPD to become “paperless” when writing and retaining reports. User costs will remain about the same as we pay now.

REGJIN
MASTER
IGA

**MASTER INTERGOVERNMENTAL AGREEMENT FOR THE USER BOARD OF THE
REGIONAL JUSTICE INFORMATION SYSTEM (RegJIN)
No. 30003644**

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered into, pursuant to Oregon Revised Statutes ("ORS") 190.003 to 190.085, and Revised Code of Washington ("RCW") 39.34.030 by and among the City of Portland, an Oregon municipal corporation ("City"), and the Regional Partner Agencies (herein collectively, the "RPA").

RECITALS

WHEREAS, the City has acquired a law enforcement Records Management System ("RMS") to maintain a multi-agency, multi-jurisdictional set of law enforcement applications and associated databases; and

WHEREAS, the City and RPA find that a primary objective of the region is to develop a shared common database available in the RMS in order to cooperatively prevent criminal activity, track resource utilization, facilitate rapid and efficient communications, provide immediate and coordinated assistance among agencies for day-to-day, tactical, and strategic operations, improve the ability of law enforcement to prevent and solve criminal activity through shared system functionality and cooperative operations, effectively prosecute criminals, and identify short and long term leveraging opportunities for cost effective infrastructure investments to meet regional requirements; and

WHEREAS, the City and RPA desire to create a User Board to provide input, guidance and strategic direction for the RMS; and

WHEREAS, regionalization and interoperability provides a cost effective and efficient acquisition of the RMS and improvements through economies of scale, coordination and sharing; and

WHEREAS, use of the City's RMS assets with the RPA will increase overall system reliability and reduce duplicative systems while allowing for shared information; and

WHEREAS, creation of this Intergovernmental Agreement for the RMS may also be expanded to include other public safety technologies in the future; and

WHEREAS, the participating jurisdictions now desire to enter into this Agreement, and being fully advised; and

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants contained herein, it is agreed as follows:

1. DEFINITIONS:

The following is a definition of terms used herein:

- A. "Capital Cost" is the estimated and budgeted amount required, including but not limited to, the direct cost for hardware, software, project management, planning, design, engineering, procurement, labor and materials for designing, procuring, installation, testing, commissioning, training, and otherwise implementing the

RMS and its future components. Capital Cost does not include non-City RPA assets, non-City RPA specific applications, data conversion of data not contained in the Portland Police Data System (PPDS), the RPA side of RMS System interfaces, non-City user devices such as computer workstations, mobile computers, desktop and mobile computer operating system software and printers, and non-City network components.

- B. "Days" means calendar days, including weekdays, weekends and holidays, beginning at midnight and ending at midnight twenty-four hours later, unless otherwise specified by the Agreement.
- C. "City/RPA Confidential Information" means any information, in any form or media, including verbal discussions, whether or not marked or identified by the City and/or RPA, which is reasonably described by one or more of the following categories of information: (1) financial, statistical, personnel, human resources data or Personally Identifiable Information as described in the Oregon Consumer Identity Theft Protection Act of 2007; (2) business plans, negotiations, or strategies; (3) unannounced pending or future products, services, designs, projects or internal public relations information; (4) trade secrets, as such term is defined by ORS 192.501(2) and the Uniform Trade Secrets Act ORS 646.461 to 646.475; (5) Exempt per ORS 192.501 and/or ORS 192.502 (6) attorney/client privileged communications, (7) exempt per federal laws (including but not limited to Copyright, HIPPA, Computer Fraud and Abuse Act), (8) criminal history information that is not subject to disclosure based on State of Oregon, State of Washington, or Federal rules and regulations, (9) criminal investigation information, (10) tactical and strategic public safety information, and (11) information relating to or embodied by designs, plans, configurations, specifications, programs, or systems developed for the benefit of the City and/or RPA including without limitation, data and information systems, any software code and related materials licensed or provided to the City by third parties; processes; applications; codes, modifications and enhancements thereto; and any work products produced for the City.

"Confidential Information" includes, but is not limited to, any information that is disclosed in written, graphic, verbal, or machine-recognizable form, and is marked, designated, labeled or identified at the time of disclosure as being confidential or its equivalent; or if the information is in verbal form, it is identified as confidential or proprietary at the time of disclosure and is confirmed in writing within thirty (30) days of the disclosure. Confidential Information does not include any information that: is or becomes publicly known through no wrongful or negligent act of the receiving party; is already known to the receiving party without restriction when it is disclosed; is, or subsequently becomes, rightfully and without breach of this Agreement or any other agreement between the Parties or of any applicable protective or similar order, in the receiving party's possession without any obligation restricting disclosure; is independently developed by the receiving party without breach of this Agreement; or is explicitly approved for release by written authorization of the disclosing party.

- D. "Cost Sharing Formula" is the plan and periodic amendments thereof, adopted by the City based on recommendations by the User Board that apportions User

Fees, capital, operation, maintenance, repair and replacement costs and use of grant funding among the Entry and Inquiry Only RPA. The Cost Sharing Formula is attached as Exhibit A.

- E. "Entry RPA" includes the City of Portland and any authorized agency who enters data into the RMS. Entry RPA may take part in decisions or activities of the User Board in which the Entry RPA has discretion to participate. Entry RPA shall have full voting rights. The City shall be considered an Entry RPA for voting purposes.
- F. "Inquiry Only RPA" is an agency who has access to view the RMS data but does not input any data. Inquiry Only RPA have no voting rights on the User Board.
- G. "Operation and Maintenance Cost" are the budgeted amount required for the operation and maintenance of the RMS which may include, but not be limited to, the direct cost for: license fees, vendor support costs, software and hardware upgrade and/or replacement costs, maintenance, personnel, facilities use and rental costs, and training for the upcoming year. Operating and Maintenance Cost shall be allocated to the Entry and Inquiry Only RPA according to the Cost Sharing Formula.
- H. "Project" shall mean any effort undertaken by the System Manager, as recommended by the User Board, to improve or modify the RegJIN RMS.
- I. "Quorum of the Board" is comprised of fifty (50) percent of the Entry RPA, plus one.
- J. "RPA Asset" shall mean hardware, software, equipment, real property and fixtures, owned or leased by any RPA.
- K. "RPA" shall mean Inquiry Only and Entry Partners
- L. "Records Management System" is the tangible assets and/or Systems acquired or purchased by the City to develop, implement and operate the RegJIN RMS.
- M. "RegJIN RMS" is the law enforcement records management system acquired and implemented by the City of Portland for use by the RPA.
- N. "Strategic Plan" is the plan and periodic amendments thereof, setting forth the vision, strategy and benefits for the RegJIN RMS as recommended by the User Board and approved by the City.
- O. "System Manager" is the individual and his/her designated named backups appointed by the City of Portland to manage and operate the RMS on a daily basis.
- P. "Technology Management Plan" is the plan and periodic amendments thereof, that is recommended by the User Board and approved by the City that provides technical guidance for operation, maintenance, and repair of the RMS.

- Q. "Unanimous Vote" or "Unanimously" means that approval is required by the City and all Entry RPA present at a User Board meeting. A Quorum of the Board is required for all Unanimous Votes.
- R. "Upgrade Plan" is the Plan for upgrading the RMS, and periodic amendments thereof, that is recommended by the User Board and approved by the City, including, but not limited to, detailed technical designs, estimated budget for the capital costs of acquiring, constructing, and deploying the technical design, estimated budget for upgrading the RMS.
- S. "User Board" is the administrative body of the RegJIN User Board.
- T. "User Fees" are fees set by the City for RPA access and use of the RMS and as agreed to between the City and a RPA in a Participating IGA.
- U. "Withdrawal Plan" is a plan providing the manner of complete withdrawal for an RPA, or for an Entry RPA to move to an Inquiry Only RPA.

2. **ESTABLISHMENT OF USER BOARD:**

There is hereby established the RegJIN User Board ("User Board") for the purpose as described below and subject to the terms and conditions herein. The User Board is established to plan and advise the City of Portland in the operation of the RMS, which serves the geographic area encompassed by Clackamas, Columbia, Multnomah, and Washington Counties of Oregon State and Clark County of Washington State (along with future RPA). Thereafter, the RPA may recommend expansion of the System and pursue other services as agreed to by the City and Entry RPA.

3. **STATEMENT OF PURPOSE:**

General

The User Board is formed to create a user based structure for making recommendations to the City regarding the planning, funding, operations, and maintenance of the RMS including, but not limited to, transition planning, User and administrative training procedures, training equipment and facilities, uniform data entry, complying with federal and state reporting requirements, maintaining data integrity, operational efficiencies, physical backup and redundancy, and obtaining and managing additional resources such as grants to support RMS maintenance, enhancement, and extension. The User Board may perform functions, which may include, but are not limited to the following:

- A. Cooperatively develop or review and recommend changes or adoption of a Strategic Plan for maintaining the viability and efficiency of the RMS.
- B. Review and recommend which RMS data and applications will be shared among the City and RPA.
- C. Cooperatively develop or review and recommend changes or adoption of a coordinated long-term plan for capital and operating funding of the RMS, including methods to allocate costs.

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- D. Review and recommend changes to established Standard Operating Procedures (SOPs) and technical standards for the operations and business continuity of the RMS.
- E. Review and recommend changes or adoption of the RMS Technology Management Plan.
- F. Review and recommend changes to the operational and maintenance procedures of the RMS for assets owned by the City in a manner that resolves operational interface issues with each RPA's local assets.
- G. Recommend admission of new RPA.
- H. Review and recommend changes to RMS operational and maintenance procedures with the goal of balancing regional requirements against Entry RPA data collection and reporting autonomies.
- I. Apply for grants and other available funding sources to fund RMS enhancements and capability extensions.
- J. Participate in, and recommend process changes to ensure the successful deployment of the RMS and, in the future, RMS extensions and enhancements.
- K. Review and recommend changes of the annual operational budget developed to support and fund the RMS.
- L. Review and recommend Changes to the RMS Cost Sharing Formula.

4. ADMINISTRATIVE BODY:

The User Board shall have the duties as provided below.

- A. The User Board, as an advisory group formed to furnish advice to the City of Portland, shall be subject to and comply with the requirements of the Oregon Public Meetings laws.
- B. The User Board shall be composed of one representative appointed by each Entry RPA, which includes one representative appointed by the City. The User Board shall elect a Chair, and Vice-Chair who shall each serve for a two year term. The Chair, or in the Chair's absence the Vice-Chair, shall preside over all User Board meetings.
- C. The Entry RPA, through the Board, shall administer the operation of the User Board. Each Entry RPA and the City shall have one vote. Each Entry RPA shall appoint, at its pleasure, one primary representative, and one alternate representative who may attend all Board meetings. The primary and alternate representatives may jointly participate in all discussions of the User Board; provided however that the vote of the Entry RPA shall be cast only by the primary representative, unless the primary representative is absent, in which event the alternate representative may cast the Entry RPA's vote. No User Board member

may grant proxy voting power to another User Board member from another Entry RPA. A tie vote shall not be sufficient to pass a measure or recommendation.

- D. The Board may meet monthly at the discretion of the Chair, but in no event less than twice per year. It may meet more frequently as determined by the Chair or as requested by any Entry RPA or the City.
- E. A Quorum of the Board is required for the User Board to make any official recommendation or action.
- F. Unless otherwise provided herein, all User Board actions shall require approval by a majority of the Entry RPA present at an official Board meeting.
- G. The User Board Chair shall be responsible for providing notices of public meetings and keeping of minutes in compliance with Oregon Public Records laws. The minutes shall summarize the discussions completed during Board meetings and include all official actions taken by the Board, along with any vote tallies associated with those actions.
- H. The Chair or designee shall represent the User Board at official public meetings as requested by the City or other Entry RPA during which the Chair or designee shall report on the opinion and/or recommendations of the Board regarding specific issues being discussed that are relevant to the Board or RMS. The Chair or designee shall limit their participation in this capacity to reporting on official actions and recommendations taken by the Board.
- I. The User Board shall undertake the following:
 - 1. Review and recommend changes to the Strategic Plan developed by or updated by the City.
 - 2. Review and recommend changes to the Technology Management Plan developed by or updated by the City.
 - 3. Review and recommend changes to the Cost Sharing Formula developed by or updated by the City.
 - 4. Review and recommend changes to the annual objectives and work plans developed by the System Manager.
 - 5. Review and recommend changes to the general policy guidelines and/or Standard Operating Procedures developed by the System Manager for the RMS.
 - 6. Provide oversight and direction regarding User Board operations.
 - 7. Establish committees and appoint committees as needed.
 - 8. Review and comment on all Plans at least once every four years.
 - 9. Makes other recommendations as necessary.

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- J. The User Board shall review and make recommendations on the acceptance of any new RPA as outlined in Section 10. Recommendations on acceptance of a new RPA shall be by Unanimous vote.
- K. The User Board, at its first organizational meeting, or as soon thereafter as reasonable, shall adopt rules governing its procedures, and including at a minimum 1) time and place of regular meetings; 2) method and manner of calling special meetings; 3) method, term and manner of election of User Board officers; and 4) establish committees and appoint committee representatives from among the RPA; and 5) any other procedures deemed necessary as outlined in Section 7.

5. **PROJECTS AND FUNDING:**

- A. Funds for Capital Cost of the initial RMS implementation will be contributed by the City. Funds for the Capital Costs of future components of the RMS will be jointly contributed by the City and other RPA based on a recommended allocation formula, taking into account application of grant funding and credit for contributed assets, if any. The RPA agree to request such grant funding whenever possible.
- B. According to adopted Strategic and Cost Sharing Formulas, the User Board may recommend Projects which further improve, expand, enhance and support the RMS, including, but not limited to, acquisition of hardware, software and equipment, upgrades and other steps to improve and extend the RMS.
- C. Entry RPA may propose improvements to the RMS by giving written notice to the User Board, describing the proposed improvement and identifying its benefits. Within 90 days, the User Board shall meet to discuss the proposal and determine if there is interest in pursuing the proposed Project. If so, the User Board shall direct the System Manager to research the proposed Project to determine or confirm any cost and operational impacts and to report back on the findings to the User Board. Subsequent to receiving the System Manager's report, the User Board may hold a vote to recommend whether or not the proposed Project should be undertaken.
- D. Any significant changes to the RMS shall consider the following factors, including but not limited to, sources of funding (City, RPA, available grants and other sources), technical and business impact to the City and RPA, and the recommendation(s) of the User Board. Capital and Operating Costs for such changes shall be allocated among the City, Entry and Inquiry RPA as determined by the Cost Sharing Formula and incorporated into each RPA's Participating IGA as part of the User Fees.
- E. Each RPA agrees to inform the User Board of potential grant sources and thereupon the User Board shall determine if the User Board should pursue that source. If the User Board declines to pursue that source, then the individual RPA may seek those grant funds on its own and, if successful, may choose to apply

the grant funds for the benefit of the User Board or to its local match or share if it is an allowable use of grant proceeds.

- F. Any increase in either A, B, C and/or D above may be recommended by the User Board and approved by the City so long as the total cost impact per subsection to all RPA is no greater than 5% per year, and no greater aggregate than 10% per year. Any subsection with a cost impact greater than the 5% or 10%, shall be voted upon by a Quorum of the User Board and approved with a majority vote.

6. USER BOARD MANAGEMENT, OPERATION AND FUNDING:

- A. The User Board shall make recommendations as to the best method for the administration, management, and operation of the RMS. The User Board shall review and make recommendations on the annual budget prepared by the System Manager for managing and supporting the RMS.
- B. The User Board shall be self-sufficient in its operation. The City and RPA will participate at their own cost, time and expense.

7. COMMITTEES:

The User Board may establish committees from time to time as it deems necessary. Generally, the User Board will consider establishment of committees in the following areas:

- A. Engineering/Technical
- B. Policy
- C. Customer/User
- D. Finance/Budget

When a committee is established by the User Board, the City and each Entry RPA is entitled to have one voting representative on the committee. The Chair may limit these committees to an appropriate size for conducting its business. The Chair will recommend a procedure for limiting the size of the committees, which will then be approved by the Board. Each committee shall provide advice, counsel, and recommendations to the User Board or the Chair as requested.

The City and each Entry RPA may designate one voting committee member and an alternate. A majority of the voting committee creates a quorum. All decisions require a majority vote of the members in attendance. An alternate RPA committee member may vote if the designated RPA voting member is not present.

8. CAPITAL CONTRIBUTION, CAPITAL COST DETERMINATION, AND INITIAL RPA RESPONSIBILITY:

The Cost Sharing Formula shall establish the application of User Board grant proceeds, cost allocation formulas, rates, and appropriate service charges for such services

provided to Entry and Inquiry Only RPA, and for upgrading and maintaining the RMS which will be paid by the RPA. RPA responsibility for such allocations, rates and charges will be incorporated in, or amended to, each RPA's Participating IGA.

9. PAYMENT:

- A. Each Entry and Inquiry Only RPA will have an individual Participating IGA with the City that outlines the costs and terms and conditions of their participation in the RegJIN RMS. A Entry RPA's right to participate on the User Board under this Agreement is contingent upon execution of the Participating IGA.
- B. Failure to pay the City as due under the Participating IGA will suspend the Entry RPA's voting rights in the User Board until fully paid.

10. NEW RPA:

The User Board shall review and recommend the admitting of new Entry RPAs as part of the RMS. Any recommendations for admitting a new Entry RPA shall require a Unanimous Vote; admitting of any new Inquiry Only RPA shall be at the discretion of the System Manager. The System Manager will make the list of new Inquiry Only RPAs available to the User Board 30 days prior to granting access to the System. Recommendations on the addition of new Inquiry and Entry RPA must consider that the:

- A. The RMS contains highly confidential crime and other data and is reserved for law enforcement applications and will only be open to certified law enforcement agencies.
- B. If a new RPA is added, its addition is subject to the sections of the Cost Sharing Formula that govern the costs allocated to RPA(s) added to the RMS after the initial RMS cutover to operational (live) status.
- C. New RPA shall be bound by the terms and provisions of this Agreement and an individual Participating IGA.

11. DURATION, WITHDRAWAL AND TERMINATION:

- A. This Agreement is perpetual and the User Board shall continue from year to year unless otherwise terminated or dissolved by the methods described in this Agreement.
- B. The User Board may be dissolved upon unanimous agreement of all Entry RPA.
- C. Termination of an Entry RPA's Participating IGA shall revoke their participation on the User Board effective immediately.
- D. An Entry RPA that withdraws from the RMS may remove its RPA assets from the RMS including any data entered into the RMS by the withdrawing RPA. All costs associated with the reasonable removal of the withdrawing RPA's assets including costs of removing data entered by the RPA into the RMS will be the responsibility of the withdrawing RPA.

- E. A minimum of 180 days shall be allocated for the System Manager to withdraw an RPA's assets, including the withdrawal of the Entry RPA's data, from the RMS after the date upon which the RPA's withdrawal becomes effective. The withdrawing Entry RPA shall have full access to its assets including its data during the time period required to complete the removal of an Entry RPA's assets from the RMS.
- F. RPA may only withdraw from the RMS on January 1 of each year and must provide a minimum of 180 days written notice of their intention to withdraw.
- G. Notice of an RPA's intention to withdraw must be provided in writing to the User Board Chair. A copy of the withdrawal notice must be provided to the System Manger.

12. INDEMNIFICATION:

To the extent permitted by the Constitutions and laws of Oregon and Washington, each Entry RPA shall hold harmless and indemnify the other Entry RPA for the willful or negligent acts, actions or omissions to act of that Entry RPA's respective entity, commissioners, officers, employees, and agents in the performance of their respective responsibilities and duties under this Agreement.

13. CONFIDENTIALITY:

- A. Maintenance of Confidentiality. The City and RPA shall treat confidential any Confidential information that has been made known or available to them or that an Entry RPA has received, learned, heard or observed; or to which an RPA has had access. The City and RPAs shall use Confidential information exclusively for the City or RPA's benefit and in furtherance of this Agreement. Except as may be expressly authorized in writing by the City or affected RPA, in no event shall the City or a RPA publish, use, discuss or cause or permit to be disclosed to any other person such Confidential information. The City and RPA shall (1) limit disclosure of the Confidential information to those directors, officers, employees and agents of the City or RPA who need to know the Confidential information, (2) exercise reasonable care with respect to the Confidential Information, at least to the same degree of care as the City or RPA employs with respect to protecting its own proprietary and confidential information, and (3) return immediately to the City or RPA who provided the information, upon its request, all materials containing Confidential Information in whatever form, that are in the City or RPA's possession or custody or under its control. The City and RPA are expressly restricted from and shall not use Confidential intellectual property of the City or providing RPA without the City or that RPA's prior written consent.
- B. The RPA acknowledge that each RPA is subject to the Oregon or Washington Public Records Acts, as applicable, and Federal law. The RPA agree that each RPA will follow the laws of its home state. Third persons may claim that the Confidential Information may be, by virtue of its possession by the City or a RPA, a public record and subject to disclosure. RPA receiving a public records request agrees, consistent with its state public records law, not to disclose any information that includes a written request for confidentiality and as described above and specifically identifies the information to be treated as Confidential.

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Specifically, Washington RPA shall abide by RCW 42.56 for cases involving public records contained in the City of Portland owned RegJIN System as outlined in this public safety Regional Intergovernmental Agreement. A RPA's commitments to maintain information confidential under this Agreement are all subject to the constraints of Oregon or Washington and federal laws. Within the limits and discretion allowed by those laws, the City and RPA will maintain the confidentiality of information.

- C. The RPA acknowledge and agree that the City and each RPA owns its own data in the RMS. RMS data can only be disclosed by the agency that entered it. In the event of a public record request for RMS data which belongs to the City or another RPA, the City or receiving RPA shall inform both the requestor and the appropriate agency within two business days that it is not the custodian of record for the requested data and identify the Entry RPA that may be able to comply with the public record request.
- D. The RPA acknowledge that unauthorized disclosure of Confidential Information will result in irreparable harm to the City or providing RPA. In the event of a breach or threatened breach of this Agreement, the City or affected RPA may obtain equitable relief prohibiting the breach, in addition to any other appropriate legal or equitable relief.

14. WAIVER:

No waiver or any breach of Agreement shall be held to be a waiver of any other or subsequent breach of this Agreement.

15. REMEDIES:

The remedies provided in this Agreement are cumulative, and may be exercised concurrently or separately. The exercise of any one remedy shall not constitute an election of one remedy to the exclusion of any other.

16. SURVIVAL:

All obligations relating to confidentiality; indemnification; publicity; representations and warranties; proprietary rights; perpetual licenses, including licensing obligations as stated in this Agreement shall survive the termination or expiration of this Agreement.

17. NO THIRD PARTY BENEFICIARIES:

The City and Entry RPA expressly agree that nothing contained in this Agreement shall create any legal right or inure to the benefit of any third party.

18. ASSIGNMENT:

The rights and obligations of each party under this Agreement may not be assigned in whole or in part.

19. **NOTICE:**

Notices to the City shall be provided as set forth below in writing and sent by either certified US mail, return receipt requested, or by personal delivery to:

**City of Portland
RegJIN System Manager
Portland Police Bureau
1111 SW 2nd Avenue, Suite 1156
City of Portland
Portland, OR 97204**

20. **AMENDMENTS:**

This Agreement may only be changed, modified, or amended by unanimous vote of all Entry RPA.

21. **EFFECTIVE DATE:**

This Agreement shall be effective on July 1, 2012 and continue in perpetuity unless otherwise terminated.

22. **SEVERABILITY:**

The terms of this Agreement are severable and a determination by an appropriate body having jurisdiction over the subject matter of this Agreement that results in the invalidity of any part, shall not affect the remainder of this Agreement.

23. **INTERPRETATION:**

The terms and conditions of this Agreement shall be liberally construed in accordance with the general purposes of this Agreement and according to Oregon and Washington law.

24. **EXECUTION IN COUNTERPARTS:**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute the same agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Signature Authorization for Intergovernmental Agreement.

User Boards are:

CITY OF PORTLAND

APPROVED AS TO FORM

By: Michael Reese

Karin Wiant 10/29/2013
Office of City Attorney

Printed Name: Michael Reese

Title : Police Chief

Date of Signing: 10/22/13

Signature Authorization for Intergovernmental Agreement.

User Boards are:

CITY OF GLADSTONE

APPROVED AS TO FORM

By: _____

Office of City Attorney

Printed Name: _____

Title: City Administrator

Date of Signing: _____

City of GLADSTONE

Date: January 9, 2014

To: Mayor Byers and City Council

From: Pete Boyce, City Administrator 

Re: Special Event Temporary Liquor License – Concept Entertainment – Two, LLC - Latus Motors

Staff recommends City Council approval of the special event liquor license. The event will be held at Latus Motors, 870 E. Berkeley on February 12, 2014.

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

18. Describe your plan to prevent minors from gaining access to alcoholic beverages and from gaining access to any portion of the licensed premises prohibited to minors. Our licensed employees and Manager will check ID of people consuming alcoholic beverages and will monitor the event to ensure no minors consume any alcohol during the event.

19. Describe your plan to manage alcohol consumption by adults. Two licensed bartenders with current OLCC service permits working the event, checking ID, serving customers, and monitoring the area.

MANAGER AND SERVICE PERMITS: You must name a manager or managers who will be at the special event.

20. List person(s) on duty and in the licensed area managing alcohol service: Brad Lee

21. List the service permit number of each person managing alcohol service: _____ expiring 07/15/15

LIQUOR LIABILITY INSURANCE: If the licensed area is open to the public and expected attendance is 301 or more per day in the licensed area, you must have at least \$300,000 of liquor liability insurance coverage (ORS 471.168).

22. Insurance Company: CNA 23. Policy #: _____ 24. Expiration Date: Dec 31, 2014

25. Name of insurance agent: Melody Drangstveit of Marsh 26. Agent's phone number: 503-248-4877

FOOD SERVICE: See the attached sheet for an explanation of this requirement.

27. If you will **NOT** provide distilled spirits, name at least two different substantial food items that you will provide:

① Pulled pork sliders ② Burger sliders

28. If you are a Full On-Premises Sales Licensee and will provide distilled spirits, name at least five different substantial food items that you will provide:

① _____ ② _____ ③ _____ ④ _____ ⑤ _____

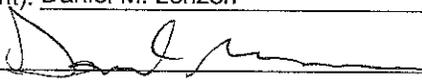
28(a). Coffee, tea and soft drinks will be available. Coffee and tea will be served in foam cups; soft drinks will be served in cans.

GOVERNMENT RECOMMENDATION: You must obtain a recommendation from the local city or county named in #29 below before submitting this application to the OLCC.

29. Name the city if the event address is within a city's limits or name the county if the event address is outside the city's limits: City of Gladstone

I affirm that I am authorized to sign this application on behalf of the applicant.

30. Licensee Name (please print): Daniel M. Lenzen

31. LICENSEE SIGNATURE:  32. Date: Jan 6, 2014

CITY OR COUNTY USE ONLY	
The city/county named in #29 above recommends:	
<input checked="" type="checkbox"/> Grant <input type="checkbox"/> Acknowledge <input type="checkbox"/> Deny (attach written explanation of deny recommendation)	
City/County Signature: 	Sgt. J. Jolley #52820 Date: <u>1/7/2014</u>

FORM TO OLCC: This license is valid only when signed by an OLCC representative. Submit this form to the OLCC office regulating the county in which your special event will happen.

OLCC USE ONLY	
License is: <input type="checkbox"/> Approved <input type="checkbox"/> Denied	
Restrictions:	
OLCC Signature: _____	Date: _____

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City of GLADSTONE

Date: January 9, 2014

To: Mayor Byers and City Council

From: Pete Boyce, City Administrator 

Re: Liquor License – Affordable Catering – Napoleons Deli

Staff recommends that the liquor license for Affordable Catering located at 455 Portland Avenue be denied. Napoleons' Deli is out of compliance with the Gladstone Municipal Code (GMC) Title 17.

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

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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
INDIVIDUAL HISTORY

1. Trade Name Affordable Catering for All Occasions City Gladstone
 3. Name Amirus Sonia Lorraine
 (Last) (First) (Middle)
 4. Other names used (maiden, other) N/A
 5. *SSN _____ Place of Birth CA 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 16897 SE Tong Rd Damascus OR 97089
 (number and street) (city) (state) (zip code)
 12. Mailing Address (if different) N/A
 (number and street) (city) (state) (zip code)
 13. Contact Phone 503-730-8390 14. E-Mail address (optional) sl9713@aol.com

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

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

17. List all states, other than Oregon, where you have lived during the past ten years:
N/A

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.

20. Trade Name Affordable Catering for all occasions 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.

Napoleons Deli 15123 SE McLaughlin Milwaukee OR 97222
(in the 80's)

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: Doreen Andrew Date: 10/21/13



OREGON LIQUOR CONTROL COMMISSION
CORPORATION QUESTIONNAIRE

Please Print or Type

Corporation Name: AG Specialty Foods INC Year Incorporated: 30
 Trade Name (dba): Affordable Catering for All Occasions
 Business Location Address: 439 Portland Ave.
 City: Gladstone OR ZIP Code: 97027

List Corporate Officers:

(name) Sonia Andrus
Steve Andrus

(title) President
Secretary

List Board of Directors:

(name) _____

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:
_____	_____
_____	_____
_____	_____

Number of Stock Shares:	
Issued:	<u>50</u>
Unissued:	<u>50</u>
Total Shares Authorized to Issue:	_____

Server Education Designee: Sonia Andrus DOB: 7/1/47
 (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: Sonia Andrus (name) President (title) Date: 10/21/13

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Oregon

John A. Kitzhaber, MD, Governor

Liquor Control Commission

9079 SE McLoughlin Blvd

Portland, OR 97222-7355

(503) 872-5000

(800) 452-6522

October 25, 2013

AG Specialty Foods, Inc
Affordable Catering for All Occasions
455 Portland Avenue
Gladstone, OR 97027

Dear Applicant:

We have received your liquor license application for Off-Premises Sales. Before we can begin processing your application, you must submit your liquor license application to your local governing body and pay any required fee.

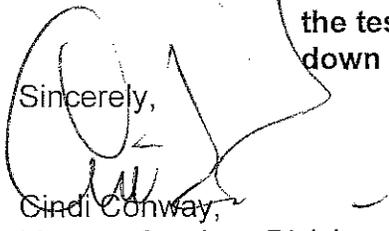
Please mail or deliver the attached documents and any fee to your government office listed below as soon as possible.

Once you have **mailed or delivered** the documents call Jan Smith, License Services Division 503-872-5217 so she can refer your application for investigation. **Do not wait for your local governing body to approve your application** before you contact her.

REMEMBER:

You need to complete the Law Orientation test before we can issue a 90 day temporary license or your permanent license. Please go to our web site www.oregon.gov/olcc and download the test and booklet. Go to "Liquor Licensing" and then scroll down to "Training & Educational Materials"

Sincerely,


Cindi Conway,
License Services Division
503-872-5070

Your Local Governing Body

City of Gladstone
525 Portland Ave
Gladstone, OR 97045
503-656-5225

6-6 



OREGON LIQUOR CONTROL COMMISSION
INDIVIDUAL HISTORY

1. Trade Name n 2. City Gladstone
 3. Name Andrus Steven Ross
 (Last) (First) (Middle)
 4. Other names used (maiden, other) N/A
 5. *SSN, _____ 6. Place of Birth WA 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 16897 SE Tong Rd DAMASCUS OR 97089
 (number and street) (city) (state) (zip code)
 12. Mailing Address (if different) N/A
 (number and street) (city) (state) (zip code)
 13. Contact Phone 503-658-6353 14. E-Mail address (optional) N/A
 15. Do you have a spouse or domestic partner? Yes No
 If yes, list his/her full name: SONIA ANDRUS

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

17. List all states, other than Oregon, where you have lived during the past ten years:
N/A

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.

6-7

20. Trade Name Affordable Catering for All Occasions 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.
Napoleons Deli 1523 SE Mclaughlin Milwaukee OR 97222
(in the 80s)

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: SEAR Date: 10/21/03



OREGON LIQUOR CONTROL COMMISSION
INDIVIDUAL HISTORY

1. Trade Name Affordable Catering for All Occasions City Gladstone
 3. Name Filippini Shanon Dee
 (Last) (First) (Middle)
 4. Other names used (maiden, other) _____
 5. *SSN _____ Place of Birth WA 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 13520 SE Briarfield Ct Milwaukie OR 97222
 (number and street) (city) (state) (zip code)
 12. Mailing Address (if different) N/A
 (number and street) (city) (state) (zip code)
 13. Contact Phone 503-839-9598 14. E-Mail address (optional) Shanon.agst@gmail.com
 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:
N/A
 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.

20. Trade Name Affordable Catering for All OCCASIONS 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.

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: Shanon Fuppem Date: 10/21/13



OREGON LIQUOR CONTROL COMMISSION
BUSINESS INFORMATION

Please Print or Type

Applicant Name: Sonia Andrus Phone: 503-730-8390

Trade Name (dba): Affordable Catering for All Occasions

Business Location Address: 455 Portland Ave

City: Gladstone ZIP Code: 97027

DAYS AND HOURS OF OPERATION

Business Hours:

Sunday _____ to _____

Monday 11a to 3p

Tuesday ↑ to ↑

Wednesday ↓ to ↓

Thursday _____ to _____

Friday 11a to 3p

Saturday _____ to _____

Outdoor Area Hours:

Sunday _____ to _____

Monday _____ to _____

Tuesday _____ to _____

Wednesday _____ to _____

Thursday _____ to _____

Friday _____ to _____

Saturday _____ to _____

The outdoor area is used for: N/A

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)

No determined set hours - By appointment only

Seasonal Variations: Yes No If yes, explain: _____

ENTERTAINMENT

Check all that apply:

- Live Music
- Recorded Music
- DJ Music
- Dancing
- Nude Entertainers
- Karaoke
- Coin-operated Games
- Video Lottery Machines
- Social Gaming
- Pool Tables
- Other: N/A

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: N/A Outdoor: _____

Lounge: _____ Other (explain): _____

Banquet: _____ Total Seating: _____

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: Sonia Andrus Date: 10/21/13

1-800-452-OLCC (6522)

www.oregon.gov/olcc

(rev. 12/07)

6-11



STATEMENT OF FUNDING SOURCES

Please Print or Type

Each person who invests money in this licensed business must complete this form which will become a part of the permanent file. The information must be printed legibly in ink or typed.

New outlet, change of ownership, change of location
 Not including amounts you will owe on contract, what is the approximate total amount you will put into this business to buy or start it up? (For example: advance rent payment, down payments on contracts, buying inventory, remodeling, city and licensing fees, purchasing stock in a corporation or membership interest in an LLC.)

Total \$ 35,500.00

OR

Change to existing license (greater privilege, additional privilege, change in legal entity, extension of premises, remodel)

What is the approximate total amount you will put into making the change you are requesting? (For example: buying inventory, remodeling, city and licensing fees, purchasing stock in a corporation or membership interest in an LLC.)

Total \$

Identify where you got your investment money. List the full name of the bank, lender, or person who loaned or gave you money. The total in this section should be equal to, or more than, the total amount listed above.

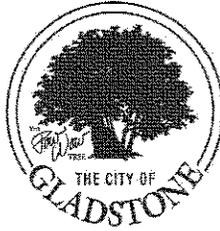
Transferred from A G Specialty Foods \$ 35,500.00
 _____ \$ _____
 _____ \$ _____
 _____ \$ _____

Sworn Statement: I swear the above information is true, accurate and complete. I understand that the OLCC may require me to give proof of the above information and that if the information is not true, accurate or complete the OLCC may prosecute me criminally for False Swearing under ORS 162.075. The OLCC may also refuse to grant my license application or if the license is granted may act to revoke my license based on a false sworn statement.

Trade Name (d.b.a.) Affordable Catering For All Occasions City Gladstone

Printed Name Sonia Andrus

Signature Sonia Andrus Date 10/21/13



APPOINTMENT TO PARK AND RECREATION BOARD

January 8, 2014

Please be advised there are three (3) terms on the Park and Recreation Board which expired December 31, 2013. The terms that expired 12-31-13 were held by Lee Wooldridge, Greg Bender and Linda Cosgrove. There is also two (2) vacant terms, one term to expire 12-31-14 and one term to expire 12-31-15, with the recent resignation of John Miller (copy of attached) and resignation of Carl Poston (moved out of Gladstone).

The Park and Recreation Board consists of seven (7) members appointed to three year terms by the Mayor with the approval of the City Council. The Park Board includes one representative each from the Planning Commission and City Council. Appointees must be residents of the City of Gladstone.

Duties of the Park and Recreation Board include:

- ◆ Maintain citizen and agency involvement in park and recreation.
- ◆ Serve in an advisory capacity to the City Council in matters pertaining to cable television, park and recreation programs, developing park master plans.
- ◆ Act as an advisory board regarding development of the Gladstone Comprehensive Plan and its periodic review and update (Resolution No. 438 and 556).

Notice of the committee vacancy was advertised in the November and December newsletters, on the city's website and in the Clackamas Review. As of this date applications to the Park and Recreation Board have been received from:

- Greg Bender, 16555 SE Dagmar Rd, Milwaukie, is applying for re-appointment. Greg has lived in Gladstone for 43 years, is employed in High Tech Manufacturing at Tosoh Quartz, Inc. and has served on the Traffic Safety Commission, Budget Committee, and Parks & Recreation Board. Greg has also been involved with Gladstone Junior Baseball and Gladstone High School.
- Linda Cosgrove, 190 W. Dartmouth, is applying for re-appointment. Linda has lived in Gladstone since 1977 and is retired. Linda has served on the Traffic Safety Commission and Park & Recreation Board.
- Lee Wooldridge, 1100 Clayton Way, is applying for re-appointment. Lee has lived in Gladstone for 32 years, and is retired. Lee has served on the Park & Recreation Board.

RECOMMENDATION: Re-appoint the three applicants to terms on the Park and Recreation Board that expire 12/31/16 and advertise in the city newsletter, on the city's website and in the Clackamas Review for the vacant positions.



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: GREG BENDER

ADDRESS: 16555 SE DAGMAR RD. MILWAUKIE, OR 97267

TELEPHONE: (HOME) 503-353-9160 (WORK) 503-605-5674

EMAIL: ccgregb@gmail.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 43 YEARS

OCCUPATION/EMPLOYER (state your specific line of business): HIGH TECH MANUFACTURING TOSOH QUARTZ, INC.

DESCRIBE YOUR ACTIVITIES AND INTERESTS: SPORTS, YOUTH ACTIVITIES, COMMUNITY SERVICE, CAMPING, BOATING

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: TRAFFIC COMMISSION, BUDGET COMMITTEE, PARKS & REC. BOARD, GLADSTONE JUNIOR BASEBALL, GLADSTONE HIGH SCHOOL

Have you ever applied for a Committee Position Before? YES NO
If yes, when? 2011 What Committee? PARKS & REC.

Why would you like to serve on this Commission, Board or Committee? (Attach additional materials or information if you wish). TO HELP MAKE THE CITY OF GLADSTONE A COMMUNITY THAT IS A DESIRABLE PLACE TO LIVE AND VISIT.

SIGNATURE: [Signature] DATE: 1/3/14



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: Linda Ann Cosgrove

ADDRESS: 190 W Dartmouth, Glad, Or 97027

TELEPHONE: (HOME) 503-557-0796 (WORK) _____

EMAIL: _____

HOW LONG HAVE YOU LIVED IN GLADSTONE: since 1977

OCCUPATION/EMPLOYER (state your specific line of business): Retired

DESCRIBE YOUR ACTIVITIES AND INTERESTS: Library Rummage Sale, Gardening, Home improvements/maintenance, travel

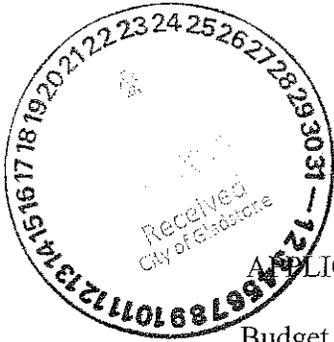
PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Traffic + Safety, Park + Recreation

Have you ever applied for a Committee Position Before? YES NO
If yes, when? _____ What Committee? see above

Why would you like to serve on this Commission, Board or Committee? (Attach additional materials or information if you wish).
For the quality of living in our community,

SIGNATURE: Linda Ann Cosgrove DATE: 11-18-13

7-a-3



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: Lee Wooldridge

ADDRESS: 1100 Clayton Way

TELEPHONE: (HOME) 503-657-8048 (WORK)

EMAIL: _____

HOW LONG HAVE YOU LIVED IN GLADSTONE: 32 years

OCCUPATION/EMPLOYER (state your specific line of business): retired

DESCRIBE YOUR ACTIVITIES AND INTERESTS: Camping - riding Quads - cars - playing

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Park Board

Have you ever applied for a Committee Position Before? YES NO
If yes, when? 30 years ago What Committee? Park & Rec

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

SIGNATURE: Lee Wooldridge DATE: 11-20-13

From: John Miller
18125 Stonewood Drive
Gladstone, OR 97027

(503) 381-4015
john.troy.miller@gmail.com

Date: 9 January 2014

Subject: Resignation of Parks and Recreation Board Appointment

To Whom It May Concern,

I regret to inform you that I must submit my resignation from my appointment to the Gladstone Parks and Recreation Board effective 23 January, 2014. My wife and I have completed the sale of our home in Gladstone, and will begin relocation on the 24th of January.

I appreciate the opportunity afforded me to serve the community of Gladstone. I wish all members of the community and the Council the best in their future endeavors to make Gladstone a great place to live.

Respectfully,

John Miller



7-a-5



APPOINTMENTS TO TRAFFIC SAFETY COMMISSION

January 8, 2014

Please be advised there are currently three (3) terms on the Traffic Safety Commission that expired 12/31/2013. The terms that expired 12/31/2013 were held by Trevor Clark, Libby Wentz and Steven Heckert.

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 November and December newsletters, on the city's website and in the Clackamas Review. As of this date applications to the Traffic Safety Commission have been received from:

- Libby Wentz, 545 Collins Crest, is applying for re-appointment. Libby has lived in Gladstone for 17.5 years. Libby and her husband own Affordable Electric Works and she works part-time for the US Census.

RECOMMENDATION: Re-appoint Libby Wentz to a term on the Traffic Safety Commission that expires 12/31/16 and advertise for two additional vacant positions in the upcoming newsletter, on the city's website and in the Clackamas Review.



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: Libby Wentz

ADDRESS: 545 Collins Crest, Gladstone, OR 97027

TELEPHONE: (HOME) 503 722-1558 (WORK) same

EMAIL: Libbypw@hotmail.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 17 1/2 years

OCCUPATION/EMPLOYER (state your specific line of business): My husband & I own Affordable Electric Works, & I work parttime for the us census.

DESCRIBE YOUR ACTIVITIES AND INTERESTS: I like reading and following local politics. lately backyard chickens have taken a lot of attention & care.

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: I have been on the TSC since the late 1990's. I used to deliver meals for the Senior center (10 years) & Girl Scouts (from around 1997-2007)

Have you ever applied for a Committee Position Before? YES NO
If yes, when? currently on TSC What Committee? TSC

Why would you like to serve on this Commission, Board or Committee? (Attach additional materials or information if you wish).
I got involved when I voiced a concern about a crosswalk on River Rd when I lived in apts over there, I have learned a lot and enjoy having a connection with the community.

SIGNATURE: [Handwritten Signature] DATE: 01/08/14

7-b-2

Peter Boyce

From: Peter Boyce
Sent: Friday, December 13, 2013 2:48 PM
To: City Council
Subject: FW: Council Request

This information will be included in the January City Council packet as requested.

From: Jolene Morishita
Sent: Friday, December 13, 2013 9:13 AM
To: Peter Boyce
Cc: Tami Bannick
Subject: Council Request

Pete,

At the December Council meeting, it was requested to provide a breakdown on the costs that the Cultural Festival was to pay, but were forgiven by the City. The following does NOT include time spent at meetings with the Cultural Festival organizers or attorney fees for the contract preparation which were not part of the agreed costs. Please include this information in the January Council packet. Thanks, Jolene

\$ 143.04 PGE bill
\$347.60 Police personnel
\$ 819.84 Public works personnel
\$ 380.72 Summer staff personnel
\$1691.20 Total

Jolene Morishita
Assistant City Administrator
City of Gladstone

City of Gladstone

Month: December 2013

Payroll	12/31/13	Check	# 74978 - 75027	32,176.59	Payroll
	12/31/13	Direct Deposit		142,522.36	Payroll
				174,698.95	Total

Manual/ Machine/ Month End Checks

	12/3/13	Check	# 74834	35,845.63	Misc AP
	12/12/13	Check	# 74967 - 74970	1,327.97	Misc AP
	12/18/13	Check	# 74971 - 74973	1,884.60	Misc AP
	12/20/13	Check	# 74974 - 74977	59,931.90	Misc AP
	12/31/13	Check	# 75028 - 75047	27,590.80	Misc AP
	12/31/13	Check	# 74759 - 74761	300.00	Month End
				126,880.90	Total

Urban Renewal Checks

	12/31/13	Checks	# 5467	40.00	Misc UR
				40.00	Total

Outstanding Invoices

	01/15/14	Preliminary		321,948.82	
					Total

December Monthly 623,568.67 Total

Council Approval

VE45

Payroll

G/L Distribution Report

User: anderson
Batch: 00001.12.2013 COMPUTER
City of Gladstone



Account Number	Debit Amount	Credit Amount	Description
Section 1 001	GENERAL FUND		
Section 2 000			
001-000-140000	55,599.96	0.00	CASH IN BANK
001-000-290000	0.00	142,522.36	DIRECT DEPOSIT LIABILITIES
001-000-290001	0.00	30,096.51	FEDERAL WITHHOLDING W/H
001-000-290002	0.00	39,856.46	SOCIAL SECURITY W/H
001-000-290003	0.00	17,121.91	STATE TAX W/H
001-000-290004	0.00	255.78	WBF WORKDAY ASSESS
001-000-290005	0.00	1,823.50	UNEMPLOYMENT
001-000-290007	0.00	1,859.19	TRI-MET TAX
001-000-290008	0.00	1,171.06	MISCELLANEOUS
001-000-290102	0.00	5,989.00	CREDIT UNION W/H
001-000-290103	0.00	52,667.18	HEALTH INS W/H
001-000-290104	0.00	1,882.54	UNION DUES W/H
001-000-290105	0.00	6,257.12	DEFERRED COMP W/H
001-000-290108	0.00	113.09	LIFE INSURANCE/PU
001-000-290111	0.00	37,758.92	RETIREMENT/PERS
001-000-290112	0.00	3,809.01	RETIREMENT
001-000-290114	0.00	975.00	FIREFIGHTER HOUSE DUES
001-000-290115	0.00	930.35	DISABILITY INSURANCE
001-000-290124	0.00	1,945.06	VEBA HEALTH CONTRIBUTIONS
001-000-290125	0.00	276.66	SECTION 125 FLEX HEALTH
Section 2 Total:	55,599.96	347,310.70	
Section 2 021	GENERAL ADMINISTRATION		
001-021-100000	9,264.81	0.00	CITY ADMINISTRATOR
001-021-100500	7,125.00	0.00	ASSISTANT CITY ADMINSTRATOR
001-021-101500	4,815.80	0.00	ADMIN SECRETARY/REC COORDINATO
001-021-102000	4,579.66	0.00	ACCOUNT CLERK (FINANCE)
001-021-102500	11,948.04	0.00	PAYROLL COSTS
Section 2 Total:	37,733.31	0.00	
Section 2 022	MUNICIPAL COURT		
001-022-102500	3,117.26	0.00	PAYROLL COSTS

Account Number	Debit Amount	Credit Amount	Description
001-022-120500	4,668.58	0.00	MUNICIPAL COURT CLERK
001-022-121000	2,255.26	0.00	ASSISTANT COURT CLERK
Section 2 Total:	10,041.10	0.00	
Section 2 024	POLICE DEPARTMENT		
001-024-102500	45,340.15	0.00	PAYROLL COSTS
001-024-140000	8,669.00	0.00	POLICE CHIEF
001-024-140300	7,225.60	0.00	POLICE LIEUTENANT
001-024-140500	7,225.60	0.00	POLICE SERGEANT
001-024-141000	6,750.12	0.00	POLICE SERGEANT
001-024-142000	6,102.72	0.00	POLICE DETECTIVE
001-024-142500	5,666.38	0.00	POLICE OFFICER
001-024-143000	4,281.00	0.00	POLICE OFFICER
001-024-143500	4,281.00	0.00	POLICE OFFICER
001-024-144500	7,457.12	0.00	POLICE OFFICER
001-024-145000	5,424.64	0.00	POLICE OFFICER
001-024-146000	5,471.74	0.00	POLICE OFFICER
001-024-146200	4,505.00	0.00	POLICE OFFICER
001-024-146400	5,146.28	0.00	POLICE OFFICER
001-024-146500	2,041.70	0.00	MUNICIPAL ORDINANCE SPECIALIST
001-024-150000	3,671.00	0.00	POLICE RECORDS CLERK
001-024-151500	2,221.76	0.00	HOLIDAY PAY
001-024-152500	7,584.65	0.00	OVERTIME
001-024-152600	2,429.96	0.00	TRAINING OVERTIME
Section 2 Total:	141,495.42	0.00	
Section 2 025	FIRE DEPARTMENT		
001-025-102500	6,488.71	0.00	PAYROLL COSTS
001-025-170000	1,143.06	0.00	FIRE CHIEF
001-025-170300	6,624.00	0.00	FIRE MARSHAL
001-025-171000	22,926.08	0.00	ON-CALL FIREFIGHTERS
Section 2 Total:	37,181.85	0.00	
Section 2 026	PARK DEPARTMENT		
001-026-102500	3,145.98	0.00	PAYROLL COSTS
001-026-190000	662.38	0.00	PUBLIC WORKS SUPERVISOR
001-026-190500	4,664.27	0.00	UTILITY WORKER, JOURNEY
Section 2 Total:	8,472.63	0.00	
Section 2 028	SENIOR CENTER		
001-028-102500	5,477.99	0.00	PAYROLL COSTS
001-028-208500	5,863.00	0.00	SENIOR CENTER MANAGER
001-028-209500	2,077.29	0.00	TRAM DRIVER

Account Number	Debit Amount	Credit Amount	Description
001-028-210000	1,200.47	0.00	OFFICE ASSISTANT
001-028-210500	2,208.71	0.00	NUTRITION CATERER
Section 2 Total:	16,827.46	0.00	
Section 2 029	LIBRARY		
001-029-102500	10,841.46	0.00	PAYROLL COSTS
001-029-220000	5,867.00	0.00	LIBRARY DIRECTOR
001-029-221500	3,762.85	0.00	LIBRARY ASSISTANT II
001-029-222000	3,976.64	0.00	LIBRARY ASSISTANT II
001-029-222500	4,190.69	0.00	LIBRARY ASSISTANT II
001-029-222800	3,787.77	0.00	LIBRARY ASSISTANT II
001-029-223000	3,937.27	0.00	LIBRARY ASSISTANT II
001-029-223100	140.33	0.00	LIBRARY ASSITANT I
001-029-223200	469.91	0.00	LIBRARY AIDE
001-029-223500	2,985.05	0.00	ON CALL LIB ASSISTANT
Section 2 Total:	39,958.97	0.00	
Section 1 Total:	347,310.70	347,310.70	
Section 1 003	SEWER FUND		
Section 2 000	LIBRARY		
003-000-140000	0.00	19,433.34	CASH IN BANK
Section 2 Total:	0.00	19,433.34	
Section 2 003	SEWER DEPARTMENT		
003-003-102500	6,065.32	0.00	PAYROLL COSTS
003-003-300300	2,318.41	0.00	PUBLIC WORKS SUPERVISOR
003-003-300700	2,411.40	0.00	UTILITY WKR, JOURNEY/MAINT TECH
003-003-301000	4,780.88	0.00	UTILITY WORKER
003-003-301200	3,857.33	0.00	ACCOUNT CLERK
Section 2 Total:	19,433.34	0.00	
Section 1 Total:	19,433.34	19,433.34	
Section 1 004	WATER FUND		
Section 2 000	SEWER DEPARTMENT		
004-000-140000	0.00	21,668.20	CASH IN BANK
Section 2 Total:	0.00	21,668.20	
Section 2 004	WATER DEPARTMENT		
004-004-102500	6,916.02	0.00	PAYROLL COSTS

Account Number	Debit Amount	Credit Amount	Description
004-004-400300	1,987.21	0.00	PUBLIC WORKS SUPERVISOR
004-004-400700	2,411.37	0.00	UTILITY WKR, JOURNEY/MAINTENANC
004-004-401000	4,664.27	0.00	UTILITY WORKER, JOURNEY
004-004-401500	4,710.91	0.00	UTILITY WORKER, JOURNEY
004-004-402500	978.42	0.00	OVERTIME
Section 2 Total:	21,668.20	0.00	
Section 1 Total:	21,668.20	21,668.20	
Section 1 005	ROAD & STREET FUND		
Section 2 000	WATER DEPARTMENT		
005-000-140000	0.00	10,883.76	CASH IN BANK
Section 2 Total:	0.00	10,883.76	
Section 2 005	STREET DEPARTMENT		
005-005-102500	3,491.28	0.00	PAYROLL COSTS
005-005-501500	1,656.00	0.00	PUBLIC WKS SUPERVISOR
005-005-502000	5,037.37	0.00	UTILITY WORKER, JOURNEY
005-005-502500	699.11	0.00	OVERTIME
Section 2 Total:	10,883.76	0.00	
Section 1 Total:	10,883.76	10,883.76	
Section 1 008	POLICE/COMMUNC LEVY FUND		
Section 2 000	STREET DEPARTMENT		
008-000-140000	0.00	27,275.86	CASH IN BANK
Section 2 Total:	0.00	27,275.86	
Section 2 008	POLICE/COMMUNC LEVY DEPT		
008-008-102500	9,003.75	0.00	PAYROLL COSTS
008-008-800500	5,524.20	0.00	SCHOOL RESOURCE OFFICER
008-008-801500	4,964.00	0.00	POLICE OFFICER
008-008-802500	2,041.73	0.00	MUNICIPAL ORDINANCE SPECIALIST
008-008-802700	4,378.00	0.00	EXECUTIVE ASSISTANT
008-008-803000	1,206.20	0.00	OVERTIME
008-008-803500	157.98	0.00	HOLIDAY PAY
Section 2 Total:	27,275.86	0.00	
Section 1 Total:	27,275.86	27,275.86	
Section 1 009	FIRE/EMERG SERVICES LEVY FUND		

Account Number	Debit Amount	Credit Amount	Description
Section 2 000	POLICE/COMMUNC LEVY DEPT		
009-000-140000	0.00	8,515.39	CASH IN BANK
Section 2 Total:	0.00	8,515.39	
Section 2 009	FIRE/EMERG SERVICES DEPT		
009-009-102500	2,734.03	0.00	PAYROLL COSTS
009-009-900500	5,449.00	0.00	VOLUNTEER FIRE COORDINATOR
009-009-901500	332.36	0.00	SEASONAL HELP
Section 2 Total:	8,515.39	0.00	
Section 1 Total:	8,515.39	8,515.39	
Report Total:	435,087.25	435,087.25	

JEH

Clearing House Distribution Report



User: anderson
Printed: 12/26/2013 - 11:33AM
Batch: 00001.12.2013

Account Number	Debit	Credit	Account Description
001-000-140000	0.00	142,522.36	CASH IN BANK
001-000-290000	142,522.36	0.00	DIRECT DEPOSIT LIABILITIES
	<hr/>	<hr/>	
	142,522.36	142,522.36	
	<hr/>	<hr/>	
Report Totals:	142,522.36	142,522.36	
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Accounts Payable

Checks by Date - Detail by Check Date

User: anderson
Printed: 1/3/2014 2:43 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
74834	08802B 789913000	US Bank National Assoc US Bank N.A./2005 Water Bond Interest	12/03/2013	35,845.63
Total for Check Number 74834:				35,845.63
Total for 12/3/2013:				35,845.63
Report Total (1 checks):				35,845.63

Accounts Payable

Checks by Date - Detail by Check Date

User: anderson
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Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
74967	00283M 12/12/13	Aikin, Maria Aikin/Investigative Monies	12/12/2013	200.00
Total for Check Number 74967:				200.00
74968	00285J 120613 120613b 120613c	Air Filter Exchange Air Filter Exchange/Services Air Filter Exchange/Services Air Filter Exchange/Services	12/12/2013	309.00 79.00 130.00
Total for Check Number 74968:				518.00
74969	02460 121013	Sandra Dvorak Dvorak/Reimbursement	12/12/2013	59.97
Total for Check Number 74969:				59.97
74970	04127 65	JLM2 JLM2/Janitorial	12/12/2013	550.00
Total for Check Number 74970:				550.00
Total for 12/12/2013:				1,327.97
74971	06030 D1529 Tabor D6520 Graves D6573 Mott	Oregon, State of Oregon Health Authority/Renewal Oregon Health Authority/Renewal Oregon Health Authority/Renewal	12/18/2013	40.00 40.00 40.00
Total for Check Number 74971:				120.00
74972	08371 121313	Scott Tabor Tabor/OAWU Expenses	12/18/2013	574.23
Total for Check Number 74972:				574.23
74973	08830 123113	US Postal Service US Postal Service/Newsletter Postage	12/18/2013	1,190.37
Total for Check Number 74973:				1,190.37
Total for 12/18/2013:				1,884.60
74974	01339 12/31/2013 12/31/2013 12/31/2013 12/31/2013	CIS/EBS Trust CIS Trust/Life Premiums CIS Trust/Disability Premiums CIS Trust/Statutory-Fire CIS Trust/Statutory-Police	12/20/2013	109.69 909.31 32.34 12.32

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	12/31/2013	CIS Trust/Elective Life		304.67
	12/31/2013	CIS Trust/Health - City Paid		46,330.91
	12/31/2013	CIS Trust/Health - Employee Paid		6,336.27
	12/31/2013	CIS Trust/Health - Credits		-1,564.78
Total for Check Number 74974:				52,470.73
74975	01726	Clackamas Fed. Cred.Union	12/20/2013	
	12/31/2013	Clack Comm FCU/Deferred Comp W-H		100.00
	12/31/2013	Clack Comm FCU/Police Union W-H		971.34
	12/31/2013	Clack Comm FCU/Credit Union W-H		5,989.00
Total for Check Number 74975:				7,060.34
74976	03226	Gladstone Municipal Court	12/20/2013	
	12/31/2013	Gladstone Muni Court/Bankcard Rental		18.00
	12/31/2013	Gladstone Muni Court/Bankcard Transact		181.44
	12/31/2013	Gladstone Muni Court/Jury-Witness Fees		81.52
Total for Check Number 74976:				280.96
74977	06842	Petty Cash for benefit of	12/20/2013	
	12/20/13	Petty Cash - Library		65.00
	12/20/13b	Petty Cash - Library		54.87
Total for Check Number 74977:				119.87
Total for 12/20/2013:				59,931.90
Report Total (11 checks):				63,144.47

Accounts Payable

Checks by Date - Detail by Check Date

User: anderson
 Printed: 1/3/2014 2:47 PM

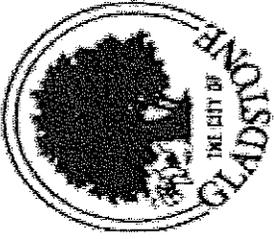


Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
75028	00636A 123113	Basham, Ronald W Basham/ACLS Recertification Reimburse	12/31/2013	180.00
Total for Check Number 75028:				180.00
75029	00734 12.31.13	Beloof & Haines Beloof/Muni Court Judge	12/31/2013	3,000.00
Total for Check Number 75029:				3,000.00
75030	01893 02246129 120613	Comcast Cable Comcast/Services	12/31/2013	37.34
Total for Check Number 75030:				37.34
75031	01893D 0732582 122113	Comcast Cable Comcast/Services	12/31/2013	137.56
Total for Check Number 75031:				137.56
75032	02657 12.31.13	Axa Equitable/Equi-Vest Axa Equitable/Deferred Comp W-H	12/31/2013	6,157.12
Total for Check Number 75032:				6,157.12
75033	02659 X5736 123113	Axa Equitable RIA Axa Equitable/RIA Contributions	12/31/2013	3,571.30
Total for Check Number 75033:				3,571.30
75034	02661 352255100 12/13	Axa Equitable/EVLICO Axa Equitable/UL Premiums	12/31/2013	237.71
Total for Check Number 75034:				237.71
75035	03271 12.31.13	Gladstone Fire Department Gladstone Volunteer Fire/House Dues	12/31/2013	975.00
Total for Check Number 75035:				975.00
75036	03333P 12/19/13	Green, Irene Green/Holiday Open House Reimbursement	12/31/2013	89.44
Total for Check Number 75036:				89.44
75037	03958 11561528 11561528 11561528 11561528 11561528	Integra Telecom Integra/Telephones Integra/Telephones Integra/Telephones Integra/Telephones Integra/Telephones	12/31/2013	139.62 93.94 32.16 93.94 651.05

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 75037:	1,010.71
75038	04667 12/23/13	James MacFarlane MacFarlane/Training & Mileage Reimburse	12/31/2013	74.95
			Total for Check Number 75038:	74.95
75039	05396 345122314-145	Sprint Sprint/Cellular	12/31/2013	318.55
			Total for Check Number 75039:	318.55
75040	05521 149733-8	Northwest Natural Northwest Natural/Gas Billing	12/31/2013	241.56
			Total for Check Number 75040:	241.56
75041	05681M 11-39851-tmb13	Office Of The Trustee Office of the Trustee/Funds	12/31/2013	640.00
			Total for Check Number 75041:	640.00
75042	05746 12.31.13	Oregon AFSCME Council #75 Oregon AFSCME/Union Dues W-H	12/31/2013	911.20
			Total for Check Number 75042:	911.20
75043	05820 Boyce	Oregon City-Cty Management Oregon City0Cty Manage/Membership	12/31/2013	206.70
			Total for Check Number 75043:	206.70
75044	07021 483900-3 12/13	Portland General Electric Portland General Electric/Billing	12/31/2013	5,784.10
			Total for Check Number 75044:	5,784.10
75045	07482 35861780 12/13 35861780 12/13 35861780 12/13 35861780 12/13 35861780 12/13 35861780 12/13	Reserve Account Reserve Account/Meter Machine Postage Reserve Account/Meter Machine Postage	12/31/2013	290.00 290.00 120.00 10.00 280.00 10.00
			Total for Check Number 75045:	1,000.00
75046	08802 12/31/13 12/31/13 12/31/13 12/31/13 12/31/13 12/31/13	US Bank US Bank/Bankcard Charges US Bank/Bankcard Charges US Bank/Bankcard Charges US Bank/Bankcard Charges US Bank/Bankcard Charges US Bank/Bankcard Charges	12/31/2013	702.93 55.95 984.11 27.75 235.00 59.99
			Total for Check Number 75046:	2,065.73
75047	08830 12/31/13	US Postal Service US Postal/Water Bill Postage	12/31/2013	951.83
			Total for Check Number 75047:	951.83

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
75048	06220 12/13	Oregon, State of Secretary of State/Filing Fee	12/31/2013	300.00
Total for Check Number 75048:				300.00
Total for 12/31/2013:				27,890.80
Report Total (21 checks):				27,890.80

Accounts Payable Outstanding Invoices



User: andetson
 Printed: 1/7/2014 - 4:06 PM
 Date Range: 01/15/2013 to 01/15/2014
 Date Type: Current

Account Number	Amount	Invoice No	Inv Date	Description	Task Label	Type	PO Number	Payment Date
Vendor 00170				Accurate Electric of Oregon I				
004-004-406500	181.00	1198	12/31/2013	Accurate Electric/PS Sensor				01/15/2013
Vendor Total:	181.00							
Vendor 00367A				Amazon				
001-029-228500	37.32	066506445669	12/31/2013	Amazon/Purchases				01/15/2013
001-029-231500	26.48	163174803674	12/31/2013					01/15/2013
001-029-231500	7.94	196001212870	12/31/2013					01/15/2013
001-029-231500	154.54	163172365286	12/31/2013					01/15/2013
001-029-225500	135.93	151066629574	12/31/2013					01/15/2013
Vendor Total:	362.21							
Vendor 00434				American Security Alarms				
001-021-110500	59.85	49595	12/31/2013	American Security/Alarm Services				01/15/2013
Vendor Total:	59.85							
Vendor 00438				Alexin Analytical Laboratories				
004-004-408000	288.00	16225	12/31/2013	Alexin Labs/Water Tests				01/15/2013
Vendor Total:	288.00							
Vendor 00603				Backflow Management Inc				
004-004-414500	2,720.00	6898	12/31/2013	Backflow Manage/Services				01/15/2013
Vendor Total:	2,720.00							
Vendor 00616				Baker & Taylor Inc				
001-029-231500	45.39	4010704480	12/31/2013	Baker & Taylor/Purchases				01/15/2013
001-029-230500	27.75	4010710102	12/31/2013					01/15/2013
001-029-230500	40.08	40107030000	12/31/2013					01/15/2013
001-029-230500	102.07	4010710090	12/31/2013					01/15/2013
001-029-230500	122.79	4010705659	12/31/2013					01/15/2013
001-029-231500	58.04	4010709494	12/31/2013					01/15/2013
001-029-230500	169.29	4010714366	12/31/2013					01/15/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task Label	Type	PO Number	Payment Date
001-029-230500	58.49	4010682678	12/31/2013					01/15/2013
001-029-230500	135.32	4010683037	12/31/2013					01/15/2013
001-029-230500	101.10	4010682284	12/31/2013					01/15/2013
001-029-230500	260.26	4010686814	12/31/2013					01/15/2013
001-029-230500	123.68	4010688066	12/31/2013					01/15/2013
001-029-230500	132.33	4010695342	12/31/2013					01/15/2013
001-029-230500	1,879.59	4010708408	12/31/2013					01/15/2013
001-029-230500	233.17	4010720042	12/31/2013					01/15/2013
001-029-230500	220.29	4010722310	12/31/2013					01/15/2013
001-029-230500	781.54	4010722295	12/31/2013					01/15/2013
001-029-230500	10.40	4010729015	12/31/2013					01/15/2013
001-029-230500	24.61	4010725987	12/31/2013					01/15/2013
001-029-230500	342.05	4010728640	12/31/2013					01/15/2013
001-029-230500	111.38	4010732630	12/31/2013					01/15/2013
001-029-230500	402.19	4010734151	12/31/2013					01/15/2013
001-029-230500	840.90	4010675102	12/31/2013					01/15/2013
001-029-230500	135.32	4010683307	12/31/2013					01/15/2013
Vendor Total:	6,358.03							
Vendor 00629M				Barbur/Atty Indigent Clients				01/15/2014
001-022-123500	500.00	010314	12/31/2013					
Vendor Total:	500.00							
Vendor 00993				Brown & Caldwell/SW and Water Ma				01/15/2013
003-003-307700	13,123.00	53206720	12/31/2013					
Vendor Total:	13,123.00							
Vendor 01276				Chemsearch/Gloves				01/15/2013
004-004-408500	355.15	1329221	12/31/2013					
Vendor Total:	355.15							
Vendor 01375				Clackamas Auto/Parts				01/15/2013
001-025-173000	3.05	208213	12/31/2013					01/15/2013
001-025-173000	27.73	208424	12/31/2013					01/15/2013
005-005-504000	13.14	208061	12/31/2013					01/15/2013
005-005-504500	3.66	208027	12/31/2013					01/15/2013
005-005-504500	104.28	208010	12/31/2013					01/15/2013
005-005-504500	209.14	207177-R	12/31/2013					01/15/2014
005-005-504500	18.60	207247-R	12/31/2013					01/15/2014
005-005-504500	-36.00	207363	12/31/2013					01/15/2014
Vendor Total:	343.60							
Vendor 01576				Clack City DOT/Planning Contract				

Account Number	Amount	Invoice No	Inv Date	Description	Task Label	Type	PO Number	Payment Date
001-021-107000	3,146.94	25435	12/31/2013					01/15/2013
005-005-508000	544.17	25433	12/31/2013					01/15/2013
005-005-508000	672.36	25434	12/31/2013					01/15/2013
Vendor Total:	4,363.47							
Vendor 01585				Clack City Water Environs/Tri City Re				
003-003-305000	138,995.56	123113	12/31/2013					01/15/2013
003-003-307000	470.80	2014-18	12/31/2013					01/15/2014
Vendor Total:	139,466.36							
Vendor 01621				Clack City Finance/Work Crews				
001-026-191500	270.00	39221	12/31/2013					01/15/2013
Vendor Total:	270.00							
Vendor 01628				Clack District Fire Defense/Dues				
001-025-176500	100.00	13-007	12/31/2013					01/15/2013
Vendor Total:	100.00							
Vendor 01838				Clyde West/Torq Motor				
005-005-504500	699.24	00235991	12/31/2013					01/15/2013
Vendor Total:	699.24							
Vendor 01893A				Comcast/Services				
001-021-115500	124.85	0724795 12221	12/31/2013					01/15/2013
Vendor Total:	124.85							
Vendor 01916				Community Newspapers/Recruiting				
001-021-113000	120.90	14706789	12/31/2013					01/15/2013
Vendor Total:	120.90							
Vendor 02510G				Eastside Paving/Services				
005-005-515000	1,600.00	12131301	12/31/2013					01/15/2013
Vendor Total:	1,600.00							
Vendor 02731G				Extreme Products/Earphone				
001-025-177800	111.39	19386	12/31/2013					01/15/2013
Vendor Total:	111.39							
Vendor 02798				Factory Reps/Pet Bags				
001-026-193000	1,326.00	123579	12/31/2013					01/15/2013
Vendor Total:	1,326.00							

Account Number	Amount	Invoice No	Inv Date	Description	Task Label	Type	PO Number	Payment Date
Vendor 02818 004-004-406500	999.12	0389304	12/31/2013	Ferguson Enterprises/Supplies				01/15/2013
Vendor Total:	999.12							
Vendor 02915 001-024-160000	1.40	4005790212	12/31/2013	Union Security/Life Premiums				01/15/2013
001-025-177000	185.93	4005790212	12/31/2013					01/15/2013
Vendor Total:	187.33							
Vendor 02941 004-004-406500	254.30	13540780	12/31/2013	Fowler/Supplies				01/15/2013
004-004-406500	435.81	13540988	12/31/2013					01/15/2013
Vendor Total:	690.11							
Vendor 03115 004-004-406500	2,221.00	000003964	12/31/2013	GC Systems/Services				01/15/2013
Vendor Total:	2,221.00							
Vendor 03151 001-026-194000	103.75	501604	12/31/2013	General Tree Service/Pow Wow Contr				01/15/2014
Vendor Total:	103.75							
Vendor 03345 001-025-175500	17.50	27384	12/31/2013	Green Key Lock/Services				01/15/2013
Vendor Total:	17.50							
Vendor 03676 005-005-507000	110.99	1075660	12/31/2013	Honne Depot/Supplies				01/15/2014
005-005-507000	107.91	7076388	12/31/2013					01/15/2014
005-005-507000	41.91	1093430	12/31/2013					01/15/2014
005-005-507000	55.81	8094097	12/31/2013					01/15/2014
005-005-507000	56.91	4181433	12/31/2013					01/15/2014
Vendor Total:	373.53							
Vendor 03765 001-025-180500	600.00	1/15 - 2/15	12/31/2013	Houston/Supervising Physician				01/15/2013
Vendor Total:	600.00							
Vendor 03818 001-026-195500	336.22	1-817784	12/31/2013	Honey Buckets/Rest Rooms				01/15/2013
001-026-195500	93.00	1-819979	12/31/2013					01/15/2013
001-026-195500	93.00	1-823553	12/31/2013					01/15/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task Label	Type	PO Number	Payment Date
001-026-195500	480.44	1-825979	12/31/2013					01/15/2014
Vendor Total:	1,002.66							
Vendor 03868				Industrial Tire/Services				
005-005-504500	617.84	0100170601	12/31/2013					01/15/2014
005-005-504500	252.18	0100170603	12/31/2013					01/15/2014
Vendor Total:	870.02							
Vendor 04262				Knapp Construction/Services				
004-004-406500	950.00	120713	12/31/2013					01/15/2013
Vendor Total:	950.00							
Vendor 04441				League of Oregon Cities				
001-021-114500	460.00	15006	12/31/2013					01/15/2013
Vendor Total:	460.00							
Vendor 04561P				Life-Assist/Supplies				
001-025-180000	1,348.59	661589	12/31/2013					01/15/2013
Vendor Total:	1,348.59							
Vendor 04564				Life Safety/Services				
001-025-181700	235.00	31382	12/31/2013					01/15/2013
Vendor Total:	235.00							
Vendor 04606				Local Gov't Personnel/Services				
001-021-116000	1,029.00	10348	12/31/2013					01/15/2013
Vendor Total:	1,029.00							
Vendor 04750				Mason Supply/Supplies				
003-003-303000	309.59	976196-00	12/31/2013					01/15/2013
Vendor Total:	309.59							
Vendor 04753				Maverick Welding/Supplies				
005-005-507000	22.50	00878149	12/31/2013					01/15/2014
Vendor Total:	22.50							
Vendor 04770				McCoy Electric/Services				
001-029-225000	1,268.49	207521	12/31/2013					01/15/2013
001-026-194000	899.93	207604	12/31/2013					01/15/2013
001-026-194000	1,149.88	207600	12/31/2013					01/15/2013
Vendor Total:	3,318.30							

Account Number	Amount	Invoice No	Inv Date	Description	Task Label	Type	PO Number	Payment Date
Vendor 04831				Meterreaders/Contract Services				
004-004-409000	2,033.40	6454	12/31/2013					01/15/2013
Vendor Total:	2,033.40							
Vendor 04900				Midwest Tape/Purchases				
001-029-231500	17.84	91019788	12/31/2013					01/15/2013
001-029-231500	348.84	91465295	12/31/2013					01/15/2013
001-029-231500	45.98	91465292	12/31/2013					01/15/2013
001-029-231500	93.96	91465294	12/31/2013					01/15/2013
001-029-231500	23.99	91481662	12/31/2013					01/15/2013
001-029-231500	51.98	91481664	12/31/2013					01/15/2013
001-029-231500	22.99	91378391	12/31/2013					01/15/2013
001-029-231500	83.94	91378329	12/31/2013					01/15/2013
001-029-231500	38.98	91378327	12/31/2013					01/15/2013
001-029-231500	22.99	91378392	12/31/2013					01/15/2013
001-029-231500	612.76	91378390	12/31/2013					01/15/2013
001-029-231500	45.98	91499128	12/31/2013					01/15/2013
001-029-231500	45.98	91499127	12/31/2013					01/15/2013
001-029-231500	150.94	91499125	12/31/2013					01/15/2013
Vendor Total:	1,607.15							
Vendor 05432				N Clack City Water Comm/Purchases				
004-004-405500	17,141.94	NCCWC14-71	12/31/2013					01/15/2013
Vendor Total:	17,141.94							
Vendor 05521				Northwest Natural/Gas Billing				
001-029-224500	138.14	2643701-2	12/31/2013					01/15/2013
005-005-507000	466.47	363279-1	12/31/2013					01/15/2013
001-024-161000	100.41	2136577-0	12/31/2013					01/15/2013
001-028-213500	608.07	148922-8	12/31/2013					01/15/2014
Vendor Total:	1,313.09							
Vendor 05641				Oak Lodge Sanitary/Sewer Charges				
003-003-304000	70,628.95	23-155001 12/	12/31/2013					01/15/2013
Vendor Total:	70,628.95							
Vendor 05656				Oak Lodge Water/Purchases				
004-004-405000	284.72	99-01148-001	12/31/2013					01/15/2014
004-004-405000	750.43	99-01157-001	12/31/2013					01/15/2014
Vendor Total:	1,035.15							
Vendor 05675				Office Depot/Supplies				

Account Number	Amount	Invoice No	Inv Date	Description	Task Label	Type	PO Number	Payment Date
001-029-225500	60.14	689056073001	12/31/2013					01/15/2013
001-029-225500	80.77	688831933001	12/31/2013					01/15/2013
001-021-113000	93.47	68885258001	12/31/2013					01/15/2013
001-021-113000	46.52	688377205001	12/31/2013					01/15/2013
001-021-113000	28.88	688376975001	12/31/2013					01/15/2013
001-025-173500	2.81	1638025917	12/31/2013					01/15/2013
001-029-225500	41.99	684568932001	12/31/2013					01/15/2013
001-029-225500	39.94	684567349001	12/31/2013					01/15/2013
001-021-113000	63.83	689696580001	12/31/2013					01/15/2013
Vendor Total:	458.35							
Vendor 05706				One Call Concepts Inc	One Call Concepts/Locafes			
005-005-507000	80.24	3110367	12/31/2013					01/15/2013
Vendor Total:	80.24							
Vendor 06186				Oregon State Bar	Oregon State Bar/Recruit			
001-022-124500	47.00	ADV016602	12/31/2013					01/15/2013
Vendor Total:	47.00							
Vendor 06242				Oregon, State of	Oregon Dept Consum-Buyst Services/(
004-004-406500	2,280.00	317074029	12/31/2013					01/15/2014
Vendor Total:	2,280.00							
Vendor 06346				Oregonian	Oregonian/Newspaper			
001-029-227000	40.00	1974874	12/31/2013					01/15/2013
Vendor Total:	40.00							
Vendor 06587				Pacific Office Automation	Pacific Office Automation/Copier			
001-029-226500	455.06	20283077	12/31/2013					01/15/2013
001-029-226500	631.62	20675386	12/31/2013					01/15/2013
Vendor Total:	1,086.68							
Vendor 06640				Paramount Pest Control Inc	Paramount Pest/Services			
001-021-110500	48.00	56111	12/31/2013					01/15/2014
001-021-110500	48.00	56097	12/31/2013					01/15/2014
Vendor Total:	96.00							
Vendor 06863				Physio-Control Corp	Physio Control/Battery			
001-025-189000	614.00	114076380	12/31/2013					01/15/2013
Vendor Total:	614.00							
Vendor 06871A				Pitney Bowes	Pitney Bowes/Meter Rental			

Account Number	Amount	Invoice No	Inv Date	Description	Task Label	Type	PO Number	Payment Date
001-021-113000	65.98	5748646-DC1E	12/31/2013					01/15/2013
001-022-125000	65.98	5748646-DC1E	12/31/2013					01/15/2013
001-024-157000	27.30	5748646-DC1E	12/31/2013					01/15/2013
001-029-225500	2.27	5748646-DC1E	12/31/2013					01/15/2013
004-004-403000	63.70	5748646-DC1E	12/31/2013					01/15/2013
001-025-173500	2.29	5748646-DC1E	12/31/2013					01/15/2013
Vendor Total:	227.52							
Vendor 07021				Portland General Electric/Billing				
001-021-109500	876.19	12.31.13	12/31/2013					01/15/2013
001-025-177500	651.24	12.31.13	12/31/2013					01/15/2013
001-026-193500	278.12	12.31.13	12/31/2013					01/15/2013
001-028-213500	557.52	12.31.13	12/31/2013					01/15/2013
001-029-224500	1,826.85	12.31.13	12/31/2013					01/15/2013
003-003-302500	54.97	12.31.13	12/31/2013					01/15/2013
004-004-406000	1,489.47	12.31.13	12/31/2013					01/15/2013
005-005-507000	547.36	12.31.13	12/31/2013					01/15/2013
005-005-508000	469.83	12.31.13	12/31/2013					01/15/2013
001-024-161000	518.02	12.31.13	12/31/2013					01/15/2013
005-005-508000	295.09	123113	12/31/2013					01/15/2014
001-026-193500	363.64	123113	12/31/2013					01/15/2014
Vendor Total:	7,928.30							
Vendor 07023				Portland General Electric/Pole Replac				
005-005-506000	10,750.00	0000297784	12/31/2013					01/15/2013
Vendor Total:	10,750.00							
Vendor 07027				Portland Habilitation/Custodial				
001-021-108500	79.42	82348	12/31/2013					01/15/2013
001-021-108500	390.48	82504	12/31/2013					01/15/2014
Vendor Total:	469.90							
Vendor 07061				Portland Win/Supplies				
004-004-406500	1,218.16	004918-00	12/31/2013					01/15/2013
004-004-406500	157.14	004939-00	12/31/2013					01/15/2013
Vendor Total:	1,375.30							
Vendor 07488S				RH Media/Services				
001-021-115500	3,422.46	54	12/31/2013					01/15/2014
Vendor Total:	3,422.46							
Vendor 07873				ServiceMaster/Supplies				
001-029-225000	206.04	151633	12/31/2013					01/15/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task Label	Type	PO Number	Payment Date
001-029-225000	671.00	151613	12/31/2013					01/15/2013
001-029-228000	1,500.00	151598	12/31/2013					01/15/2013
Vendor Total:	2,377.04							
Vendor 07898V				Short, C.A./Employee Appreciation				
001-021-117000	388.77	144287	12/31/2013					01/15/2013
Vendor Total:	388.77							
Vendor 07960				Sisul/Engineering				
005-005-509000	1,737.00	SGL13-002-10	12/31/2013					01/15/2014
005-005-509000	380.00	SGL13-006-06	12/31/2013					01/15/2014
Vendor Total:	2,117.00							
Vendor 08037M				Sonetics/Services				
001-025-173000	240.00	149304	12/31/2013					01/15/2013
Vendor Total:	240.00							
Vendor 08205				Stein Oil Services				
001-025-173000	495.85	0002591 CL00	12/31/2013					01/15/2013
005-005-518500	607.26	0002663 CL99	12/31/2013					01/15/2013
005-005-518500	549.26	0002663 CL00	12/31/2013					01/15/2013
005-005-507000	10.35	123113	12/31/2013					01/15/2013
005-005-507000	738.56	0002663 CL00	12/31/2013					01/15/2014
001-025-173000	347.58	0002591 CL00	12/31/2013					01/15/2014
005-005-507000	17.35		12/31/2013					01/15/2014
Vendor Total:	2,766.01							
Vendor 08391M				Tetleman/Atty Indigent Clients				
001-022-123500	590.00	122613	12/31/2013					01/15/2013
Vendor Total:	590.00							
Vendor 08402				Thayer/Supplies				
001-021-113000	127.45	829735-0	12/31/2013					01/15/2013
Vendor Total:	127.45							
Vendor 08566				Traffic Safety/Signs				
005-005-517000	462.00	977867	12/31/2013					01/15/2013
Vendor Total:	462.00							
Vendor 08652				Tualatin Valley Fire/Services				
001-025-173000	1,409.36	571331	12/31/2013					01/15/2013

Account Number	Amount	Invoice No	Inv Date	Description	Task Label	Type	PO Number	Payment Date
Vendor Total:	1,409.36							
Vendor 08667				Two Tone Communications/Services				01/15/2013
001-021-110000	95.00	139635	12/31/2013					
Vendor Total:	95.00							
Vendor 08943C				Verizon/Cellular				01/15/2013
005-005-507000	40.01	9716901199	12/31/2013					
Vendor Total:	40.01							
Vendor 09032				Waverly/Deposit Return				01/15/2014
001-028-216500	150.00	12/22/13	12/31/2013					
Vendor Total:	150.00							
Vendor 09257				Willamette Valley Printing				01/15/2013
001-029-225500	125.00	37874	12/31/2013					
001-021-113000	850.00	37879	12/31/2013					01/15/2013
001-021-113000	125.00	37887	12/31/2013					01/15/2014
Vendor Total:	1,100.00							
Vendor 09349				Wilsonville Lock & Security/Services				01/15/2013
001-029-225000	59.85	0049450-IN	12/31/2013					
005-005-507000	89.85	0049379-IN	12/31/2013					01/15/2013
Vendor Total:	149.70							
Vendor 09349				Yamhill Cty Fire Investigation Team/C				01/15/2013
001-025-175000	90.00	100	12/31/2013					
Vendor Total:	90.00							
Report Total:	321,948.82							



CORRESPONDENCE

Dewo. M. Yadeto
2800SW Buler Rd
Gresham, OR, 97080

Judge Linda G. Beloff
City of Gladstone
Municipal Court
525 Portland Ave
Gladstone, OR, 97027

Dear Judge

RE: Citation NO 2011-IN-0034309
I have received feedback from you in December
19th 2013. Regarding the request I made and I am
can not pay 1800 one time payment and
therefor, would you please Re-consider my
request with positive and reasonable mind
with highest respect.

As I have explained before, I have
three children and don't have no income
that is I provided a document that has
been reviewed by you in the past.

and therefore, I kindly request your
authorization your kindness to re-visit
my request so that I may get

10-1

a Release of my license by making reasonable
arrangement based what I can afford.

Thanking you in advance

Yours Sincerely

Dyarluf

Dewo yadeto

cc. Ray Jaren

Tom. Martinez

Xari Martinez

Neal Reiser

Hal. Busch

Len. Nelson

Peter, J. Boyle

**CITY OF GLADSTONE
MUNICIPAL COURT**

525 PORTLAND AVENUE
GLADSTONE, OR 97027
(503) 656-5224 ext.3

Thursday, December 19, 2013

Dewo M Yadeto
11219 SW 62nd Ave
Portland, OR 97219



RE: Citation No. 2011-IN-0034309

Your letter came up for my review on December 17, 2013. After reviewing your letter and the court file I have come to the following decision:

XX You have made zero payments on this case in two years. No changes will be made on this case. This case must be paid in full to release your driver's license for this citation.

Treat charge(s) _____ as a fix-it ticket, dismiss if \$50.00 per charge has been paid within 10 days of the date of this letter.

You will need to appear in court on _____ at _____ to have this case reviewed.

Reduce total amount due on this case to \$ _____.

No change will be made to this case.

Other:

Sincerely,

A handwritten signature in cursive script that reads "Linda G. Beloof".

Linda G. Beloof
Gladstone Municipal Court Judge



MEMORANDUM

TO: Pete Boyce, City Administrator, City of Gladstone

FROM: David F. Doughman, City Attorney's Office *DFD*

SUBJECT: Response to Rose Johnson's Alleged Violations (dated December 3, 2013)

DATE: December 20, 2013

You asked me to respond to Ms. Johnson's December 3, 2013 letter to you and the city council concerning various violations she alleges the city committed. My responses are below, in the order of Ms. Johnson's allegations.

1. Notice and Agenda. Ms. Johnson alleges that the failure to include a November 14, 2013 email from Tamara Stempel in the agenda for the November 19, 2013 planning commission meeting is a violation. While she does not specifically state as much in her letter, I assume she believes it is a violation of the Oregon Public Meetings Law ("PML").

- a. Response. The fact that the agenda did not contain the email is not a violation of the PML. The agenda must "include a list of the principle subjects to be considered at the meeting, but this requirement shall not limit the ability of a governing body¹ to consider additional information." The agenda for the meeting clearly met this requirement, as it identified the items the commission considered at that meeting. Ms. Stempel's email² concerned File No. Z0465-13-C, the hearing for which was unambiguously listed on the agenda. Moreover, the email was discussed extensively at the meeting and a copy of it was included in the record.

2. Authority to Approve Minutes. Ms. Johnson alleges that the planning commission does not have the authority to adopt minutes.

- a. Response. Ms. Johnson does not identify any legal authority for the proposition that the planning commission cannot approve minutes of its own meetings and I

¹ The definition of a "governing body" at ORS 192.610(3) includes the planning commission.

² For the sake of clarity, Ms. Stempel did not email the commission directly; rather, city staff forwarded the email on to the rest of the commissioners.

am not aware of any statute or code provision that would prevent the commission from doing so.

3. Redacted Minutes. Ms. Johnson alleges that the planning commission at its November 19 meeting adopted "redacted" minutes of its October 15, 2013 work session with the city council. She also asserts that the city council must "correct" the minutes in order to comply with the PML. As I understand her complaint, the minutes do not reflect the substance of a discussion she engaged in with the meeting's participants.

- a. Response. Assuming for the sake of argument that the minutes should contain the substance of that discussion, the failure to include it is harmless error. The PML does not require minutes in every instance. Rather, the city's duty is "to provide for the sound, video or digital recording *or* the taking of written minutes of all its meetings." ORS 192.650(1) (emphasis added). The statute is written in the disjunctive; the city can create a recording of the meeting or keep written minutes in order to comply with the PML. The city made an audio and video recording of the October 15 work session. A copy is available on the city's website. The recording contains more than what ORS 192.650 requires. Therefore, neither the city council nor the planning commission needs to add anything to the minutes of the October 15 worksession.

4. Notice. Ms. Johnson again claims the notice of the planning commission's November 19 meeting was insufficient and alleges that someone intentionally "omitted" Ms. Stempel's email from the meeting notice.

- a. Response. I reiterate my response to No. 1, above, here. The notice did not need to include the email (under that logic, the notice should have included the entire planning commission packet). Not only did the city mail notice to individual property owners entitled to notice, but it posted notice at city hall, on its website and gave notice of the meeting to any media outlets that have requested notice of planning commission meetings. Such notice is "reasonably calculated" pursuant to ORS 192.650(1) to give notice of the meeting to interested persons and the public.

5. Personal Opinion. Ms. Johnson alleges that Ms. Stempel expressed personal opinions "completely outside the scope of her authority" and that she acted "illegally" by approving the October 15 work session minutes.

December 20, 2013

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- a. Response. Ms. Johnson does not identify any statute or code provision that would prohibit a planning commissioner from expressing a personal opinion, and I am not aware of one. With respect to the minutes, I reiterate my responses to Nos. 2 and 3, above, here. I find no merit to this allegation.

6. Ethics. Ms. Johnson alleges that Ms. Stempel violated ethics law by including her involvement with the planning commission on her CV at her place of work.

- a. Response. While this is ultimately an issue for the Oregon Government Ethics Commission to resolve, on the facts as presented I do not believe Ms. Stempel's decision to state in her resume that she is involved with the planning commission amounts to a violation of ORS Chapter 244. Moreover, I understand Ms. Stempel has voluntarily decided to remove the reference on her employer's website.

7. Removal. Ms. Johnson requests the city council remove Ms. Stempel from office.

- a. Response. In accordance with state law and the city's code, the council may remove a commissioner for two consecutive unexcused absences from meetings or "misconduct, misfeasance, malfeasance, or nonperformance of duty." While the decision is ultimately the city council's to make, I do not believe Ms. Stempel's actions constitute any of the above quoted criteria. To the extent Ms. Johnson's request concerns Ms. Stempel's November 14 email, Ms. Stempel stated she believed she had a bias relative to the hearing the email concerned and removed herself from any consideration of the application. If Ms. Johnson's request concerns the heated discussion that occurred at the November 19 commission meeting, it must be remembered that other commissioners equally contributed to the atmosphere of that meeting. Regardless, I do not believe Ms. Stempel's behavior at the November 19 meeting constituted misconduct, misfeasance, malfeasance or nonperformance of duty.

8. Request Hearing. Ms. Johnson requests the council hold a hearing regarding the email and planning commission misconduct.

- a. Response. Only the council has the right to decide to initiate a hearing to remove a planning commissioner. To the extent Ms. Johnson (or any other individual, including a planning commissioner) believes they can initiate such a hearing, I disagree. If the council wants to hold a hearing, it may. However, the city is currently attempting to coordinate a mediation session with Clackamas County's mediation program amongst four planning commissioners. I understand all four

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December 20, 2013
Page 4

are willing to attend the mediation. I would not recommend holding a hearing, if at all, at least until the mediation has occurred.

Please let me know if you have any questions or would like to discuss these issues further.

DETT
DETT

11-4

Date: December 3, 2013

final



To: Pete Boyce, City Manager &
Gladstone City Council

cc: Please forward this letter to the Planning Commission and all city boards and committees, & to all email lists for all city public meetings

RE: COMPLAINT OF Violations, including but not limited to the following:

State Public Meetings Law - ORS 192.610 to 192.690

State Ethics Law - ORS Chapter 234

--by and through city council and planning commission decisions, actions, &/or communications on October 15, November 14, and November 19, 2013 e.

--Tamara Stempel's November 14 2013 email to the Planning Commission

--Planning Commission adopts redacted minutes for the 10/15/13 public meeting

--Tamara Stempel's "personal" opinions & comments on 11/19/13

Pete Boyce and City Council:

This letter will serve as the formal complaint (appeal) to the City Council concerning Planning Commission decision(s), action(s) &/ or communication(s), for which complainant cites misconduct, acting outside the scope of their official authority, official conduct unbecoming to a public officer, and planning commissioners, in violation(s) of state public meetings law.

In Oregon, ORS 192.620 Policy: *"The Oregon form of government requires an informed public aware of the deliberations and decisions of 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.*

THE CONTESTED VIOLATIONS ARE EXPLAINED BELOW:

1. Notice & Agenda Someone failed to include, or decided to exclude Stempel's November 14, 2013 email from the Agenda for the November 19 2013 planning commission meeting.
2. Authority to Approve Minutes The Planning Commission exceeded the scope of its authority by Adopting the minutes for October 15, 2013 during the regular planning commission meeting on November 19, 2013. Question: Is the City Council required to approve those minutes? After all, the city council is elected and the planning commission is appointed. Did both the Chair and the planning commission commit misconduct by adopting those redacted minutes for October 15, 2013?

3. Redacted Minutes The planning commission stepped outside its authority again by approving unlawfully redacted minutes on November 19th for the October 15, 2012 public meeting. Question: Did the Chair or the members of the Planning Commission know, or should they have known, the minutes were altered in nonconformance to state law?

For brevity, verbatim minutes are not required. However, minutes must include "the substance of any discussion on any matter" and a "reference to any document discussed at the meeting". The adopted October 15th minutes fail to meet requirements under ORS 192.650(1) and (1)(a) (1)(b) (1)(d) & (1)(e). The violation entails the omission (intentional or unintentional) of the comments between city councilors planning commissioners, and Rose Johnson, which were redacted from the October 15, 2013 minutes.

Unless obfuscation, and suppression of citizen involvement is the city's purpose, the effect (even if unintended) of city officials noncompliance effectively suppresses citizen involvement and information, to the public; and this betrays Oregon's policy of openness and transparency. The Council must correct these minutes to be accurate; and must refrain from such "politically motivated" tactics in the future, in order to be in compliance with state law.

4. Notice Who decided to omit Stempel's email from the planning commission Agenda for the November 19th meeting? Members of the public were not given proper notice about the Stempel email. The public meeting notice was limited to property owners living nearby the telecommunications tower, who were mailed notices individually. However, notice to the public was inadequate, since notice did not give "actual" notice about the public meeting; the Stempel email, or the complaints, nor the pending discussion on a "possible" conflict-of-interest/bias/ethics violation.

5) Personal Opinion On November 19, 2012, Stempel's comments at the beginning of the planning commission were merely personal opinions, completely outside the scope of her authority. Stempel's comments were out of order, unprofessional, and conduct unbecoming; Stempel invites official sanction by the next action--to proceed to approve those redacted minutes (October 15, 2013). Those two actions are illegal and irrevocably connected. The Chair and the planning commission knew, or should have known, the minutes were incomplete under 192.650 (1) (a-e).

6. Ethics A few days ago, I discovered on Mrs. Stempel's Adapt Engineering website the following Quote: "*Tammy currently consults for the Gladstone Planning Commission and other jurisdictions on sustainability issues and policy integration*". This is called selling your services. This functions as an advertisement--directly relevant to Ethics questions raised by the email; and it speaks to using public office for personal gain.

7. Removal I request the City Council to remove Mrs. Stempel from the Planning Commission. Stempel may have proven herself to be unsuitable for public service due to her conduct. Such a severe sanction against Stempel is justified under the circumstances. Stempel appears uninformed about conflict-of-interest, ethics, and bias restrictions, especially for a commissioner with her experience and professed expertise. Stempel demonstrates a blindspot on when not to cross the line

into unprofessionalism, or ethics violations. Stempel does not appear to grasp the code of behavior required for a public official, or may not be qualified to, or willing to meet such expectations. It is not a coincidence that Rose Johnson's comments were stripped from the 10/15/13 public meeting minutes?

Request Hearing I request the Council to decide whether to schedule a hearing on Stempel's and questionable November 14 email with all due haste, including misconduct by the planning commission; perhaps Stempel bear the greatest responsibility, as the Planning Commission Chair. Is there a pattern of undue pressure on the planning commission by the Chair? On November 19th, no apparent decision decision was available on this matter. Some Planning Commissioners appear to harass and intimidate Mr. Seghers into dropping his legitimate concerns. Commissioner Kirk Stempel's remarks were out of order. The city attorney said this was not the time to discuss it. Mrs. Stempel knew or should have known such emails are not appropriate. Mrs. Stempel knew or should have known ex parte communication(s) must be reported in a timely manner. Stempel should have known she was required to recuse herself from the meeting before sending the November 14th email. Stempel could have avoided scrutiny if she had not sent the email, and she had recuse herself earlier than she did. Stempel's ex parte admission, and recusal came too late for her actions to escape sanction or her excuses to be credible.

Regardless of intent, a governing body, or an elected or appointed official, can be held responsible for public meeting notice violation(s) under Oregon public meetings law, when the notice has the effect of not actually notifying the public. ORS 192.640 to 192.690.

I request the City Council to schedule these matters on the Agenda for a City Council meeting and subsequent hearing. Time may not be sufficient for complaints to be prepare by December 10. A preliminary discussion or mediation may be necessary, before a hearing can proceed.

I anticipate the city or its attorney will attempt to claim that I do not have standing to appeal of file a complaint in this matter under GMC rules.. However, I did not attend the November 15, 2013 meeting because the meeting notice was inadequate; it did not provide "actual" notice of the meeting. to encourage my attendance. Often, I "attend" the meetings online. Apparently the Stempel email was not shared with the public. Perhaps for confidentiality. However, it was discussed on November 19 during a public meeting. I viewed the meeting video on Thanksgiving day. If it was acceptable to discuss the Stempel email, and its ethics/conflict of interest/bias implications, during a public meeting, why not place it on the Agenda? In the public meeting notice? Included in the meeting packet?

Apparently, a planning commissioner is filing a complaint into this matter. It is not my intention to raise any duplicative issues. Mr. Boyce advised me today that "mediation" might be under consideration. The deadline for this letter is noon on December 4th.

Please answer this letter within a reasonable time interval.

Best regards,


Rose Johnson

ps. Please forward a copy of Tammy Stempel's November 14, 2013 email
and attachment to me.

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????????????????? Where's my library ??????????????????

January 8, 2014

Dear Gladstone City Councilors,

The time has come to resolve the library issue. Many of us have been working diligently to find a way to build our much needed new library, while also listening to the concerns of our much valued neighbors. It's time to make a decision while we still have a window of opportunity. We would like to move forward with a new library proposal that everyone can support. To that end, we propose the following:

1. **Build** the new library on the Webster road property as planned. We already know there is no other space available in Gladstone that would accommodate a new building plus parking without displacing homes or businesses.
2. **Keep** the current library plan that we've paid \$1.2 million dollars for and that dozens of citizens worked so hard on, but reduce the budget by 10% to meet our neighbor's concerns about cost. The resulting budget of \$9.5 million will still build an adequate library for both Oak Grove and Gladstone that will serve the citizens young and old. Reductions can easily be determined by sharpening a pencil and reducing costs, where feasible, using project manager Ed Fitzpatrick and city staff. For example: drop the LEED gold certification items, reduce high end finishes, trim space, and reuse existing furniture. Review the layout for more flexible space that accommodates future needs and technology, rather than book storage. Avoid making changes that would incur major design revision expenses.
3. **We recommend** that the city purchase the PK Clark residence on Webster Road. This would create an opportunity to site the library closer to the road, and reduce excavation costs. The house could be used for construction offices and then rented or used by the city for another purpose.

The time to act is now. Construction costs increase 3-4% each year. The county will not continue to wait. They will keep the \$1 million dollars and find another way to serve Oak Grove's library needs. We will forever lose the potential \$800,000+ dollars in new city revenue each year.

The library foundation and the citizen group hopes you will support this plan and pass a resolution to put a referendum on the ballot for **May 2014**, in order to meet the county's June 2014 deadline.

The county has generously provided us with an opportunity, but we are still at risk of squandering it. The citizens and the children of Gladstone and Oak Grove cannot wait any longer. It's time to build this library.

Sincerely,
Nancy & John Eichsteadt, Suzanne Colacado, Mike & Colette Umbras, Gary Bokowski, Jenny & Daniel Lau, Katie Lewis, Sarah Wylder, Lani & Jim Saunders, Margaret & Mike Bertalan, Chuck Gustafson, Linda Osterhoudt, Ted & Yvonne Phillips, Moma Escriva, Barry & Ellen Burns, Ken Schultz, Kristin Zimtbaum.



REGULAR AGENDA

December 27, 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 City of Gladstone, Oregon for the year ended June 30, 2013. Professional standards (for Certified Public Accountants) require that we provide you with 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 June 24, 2013. 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 City of Gladstone, Oregon are described in Note 1 to the financial statements. As described in Note 18 to the financial statements, the City of Gladstone, Oregon implemented four new accounting pronouncement, GASB 61, 62, 63, and 65. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There was one prior period adjustment that was included in the financial statements:

In accordance with the provisions of GASB Statement No. 65 bond issue costs are to be expensed in the period incurred. This change in accounting principle resulted in a prior period adjustment of \$43,546.

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, 2012.

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, 2013.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted several known and likely misstatements with a total financial statement effect of \$69,373 for the City and \$113,376 for the discretely presented components units that were not included in the financial statements. Management has determined that the effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. These misstatements accompany this letter.

The City relies on Merina & Company, LLP to propose material audit adjustments that are necessary for proper presentation of the financial statements. Some of these proposed audit adjustments are material misstatements. Management has corrected all such misstatements.

The following material misstatements were detected as a result of audit procedures and were corrected by management:

Routine closing journal entries for:

- Current year accounts payable and cash
- Current year general accounts receivable activity
- Current year capital asset activity
- Current year long-term liability activity
- Current year investment in joint venture

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Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management is 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 December 27, 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, the City consulted with another accountant to review the audit adjustments and prepare the financial statements.

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.

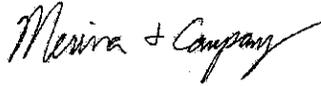
Other Matters

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

A handwritten signature in cursive script that reads "Merina & Company".

Merina & Company, LLP
Certified Public Accountants and Consultants

Passed Journal Entries

Accounts receivable	\$ 28,331	
Revenues		\$ 28,331
To accrue year end utility billings		

Cash	\$ 4,806	
Fund balance		\$ 4,806
To include Library Advisory Board		

Assets	\$ 36,236	
Expense	32,384	
Revenue		\$ 34,698
Fund balance		33,922
To include Senior Center Advisory Board		

Discretely Presented Component Units

Gladstone Seniors Foundation		
Assets	\$ 109,376	
Net position	109,376	
Revenues	23,607	
Expenses	9,715	
Change in net position	13,892	

Gladstone Public Library Foundation		
Assets	\$ 4,000	
Net position	4,000	

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CITY OF GLADSTONE, OREGON

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Fiscal Year Ended

June 30, 2013

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

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CITY OF GLADSTONE, OREGON
CITY OFFICIALS
June 30, 2013

City Officials

Wade Byers, Mayor
Gladstone, Oregon 97027

Term Expires

December 31, 2014

Council Members

Ray Jaren, President
Gladstone, Oregon 97027

December 31, 2014

Kari Martinez
Gladstone, Oregon 97027

December 31, 2014

Neal Reisner
Gladstone, Oregon 97027

December 31, 2016

Len Nelson
Gladstone, Oregon 97027

December 31, 2016

Hal Busch
Gladstone, Oregon 97027

December 31, 2014

Thomas Mersereau
Gladstone, Oregon 97027

December 31, 2016

City Administrator

Peter Boyce
Gladstone, Oregon 97027

Chief of Police

Jim Pryde
Gladstone, Oregon 97027

Assistant City Administrator

Jolene Morishita
Gladstone, Oregon 97027

Fire Chief

Stan Monte
Gladstone, Oregon 97027

Municipal Judge

Linda Beloof
Gladstone, Oregon 97027

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Gladstone, Oregon
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, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Gladstone, Oregon's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of North Clackamas County Water Commission, a joint venture of the City of Gladstone, which represents 26 percent and 32 percent, respectively, of the assets and net position of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Clackamas County Water Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 18 to the financial statements, the City adopted the new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress, and budgetary comparison schedules, 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 and schedule of funding progress in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

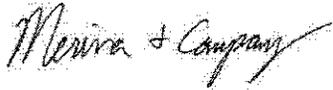
Our audit and the audit of other auditor were conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gladstone, Oregon's basic financial statements. The introductory section and other supplementary information are presented for purposes of additional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

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

Other Reporting Required by Oregon Revised Statutes

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 27, 2013, on our consideration of the City of Gladstone, Oregon's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. 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.



Merina & Company, LLP
West Linn, Oregon
December 27, 2013

JUNE 30, 2013
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, 2013.

Financial Highlights

The assets of the City of Gladstone exceeded its liabilities at the close of the most recent fiscal year by \$30,984,217 (net position). Of this amount, \$17,593,426 is investment in capital assets, \$4,209,105 is restricted for specific purposes, and \$9,181,686 (unrestricted) may be used to meet the government's obligations to creditors and to meet service expectations by its citizens. The City's total net position decreased by \$513,892 from prior year.

The City's governmental activities reported total net position of \$21,566,860. Of this amount \$4,711,388 is unrestricted and thus available for spending at the City's discretion.

The City's business-type activities reported total net position of \$9,417,357. Of this amount \$4,470,298 is unrestricted and thus available for spending at the City's discretion.

The City's governmental funds reported combined ending fund balances of \$8,711,771, a decrease of \$298,386 compared to the prior year. The decrease is due to the reimbursement of \$1,500,000 contributed by Clackamas County for the City's library project which was rejected in the November 2012 election.

Overview of the Financial Statements

The Management Discussion and Analysis (MD&A) is intended to serve as an introduction to the City of Gladstone basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

These two statements present an overview of the City's finances, in a manner similar to the private sector. Each statement presents highly condensed, entity-wide information and uses the full accrual basis of accounting.

The Statement of Net Position presents information on the City's total assets and liabilities, with the resulting difference between the two presented as net position. Over time, increases or decreases to net position may serve as a useful indicator of whether the City's financial position 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.

The Statement of Activities focuses on the change in net position over the last year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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 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, Urban Renewal Fund and Library Capital Project 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 schedules 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 schedules 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 position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$30,984,217 at the close of the most recent fiscal year. The following table reflects a Summary of Net Position for these fiscal years.

TABLE 1
Summary of Net Position as of June 30,

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Cash and investments	\$ 8,026,439	\$ 8,165,139	\$ 1,665,602	\$ 1,658,170	\$ 9,692,041	\$ 9,823,309
Restricted cash and investments	264,609	278,606	283,962	272,733	548,571	551,339
Other assets	918,977	962,361	3,113,990	3,188,087	4,032,967	4,150,448
Capital assets	12,930,329	13,078,293	6,598,097	6,670,911	19,528,426	19,749,204
Total assets	<u>\$ 22,140,354</u>	<u>\$ 22,484,399</u>	<u>\$ 11,661,651</u>	<u>\$ 11,789,901</u>	<u>\$ 33,802,005</u>	<u>\$ 34,274,300</u>
Current liabilities	\$ 417,061	\$ 331,918	\$ 410,796	\$ 359,901	\$ 827,857	\$ 691,819
Long-term debt	156,433	133,931	1,833,498	1,950,441	1,989,931	2,084,372
Total liabilities	<u>573,494</u>	<u>465,849</u>	<u>2,244,294</u>	<u>2,310,342</u>	<u>2,817,788</u>	<u>2,776,191</u>
Net position						
Net investment in capital assets	\$ 12,930,329	\$ 13,078,293	\$ 4,663,097	\$ 4,620,911	\$ 17,593,426	\$ 17,699,204
Restricted	3,925,143	4,629,793	283,962	272,733	4,209,105	4,902,526
Unrestricted	4,711,388	4,310,464	4,470,298	4,585,915	9,181,686	8,896,379
Total net position	<u>\$ 21,566,860</u>	<u>\$ 22,018,550</u>	<u>\$ 9,417,357</u>	<u>\$ 9,479,559</u>	<u>\$ 30,984,217</u>	<u>\$ 31,498,109</u>

By far the largest portion of the City of Gladstone's net position 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 \$9,181,686 is unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

The following table summarizes revenues and expenses for fiscal years 2013 and 2012.

TABLE 2
Governmental and Proprietary Activities

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Receipts						
Program receipts						
Charges for services	\$ 307,467	\$ 409,395	\$ 2,744,532	\$ 2,551,173	\$ 3,051,999	\$ 2,960,568
Operating grants and contributions	40,437	44,603	-	-	40,437	44,603
Capital grants and contributions	105,990	143,068	-	-	105,990	143,068
General receipts						
Property tax	4,870,744	4,835,387	-	-	4,870,744	4,835,387
Franchise fees and public services tax	2,034,347	1,961,921	-	-	2,034,347	1,961,921
Interest	62,810	51,499	-	-	62,810	51,499
Other	94,940	57,754	5,853	4,917	100,793	62,671
Total receipts	<u>7,516,735</u>	<u>7,503,627</u>	<u>2,750,385</u>	<u>2,556,090</u>	<u>10,267,120</u>	<u>10,059,717</u>
Expenses						
Governmental activities						
General government	941,058	920,437	-	-	941,058	920,437
Public safety	3,682,376	3,592,482	-	-	3,682,376	3,592,482
Highways and streets	539,069	623,193	-	-	539,069	623,193
Culture and recreation	1,296,225	1,404,812	-	-	1,296,225	1,404,812
Urban renewal	46,974	28,361	-	-	46,974	28,361
Business type activities						
Water	-	-	1,060,655	742,615	1,060,655	742,615
Sewer	-	-	1,595,691	1,407,357	1,595,691	1,407,357
Total expenses	<u>6,505,702</u>	<u>6,569,285</u>	<u>2,656,346</u>	<u>2,149,972</u>	<u>9,162,048</u>	<u>8,719,257</u>
Change in net position before transfers	1,011,033	934,342	94,039	406,118	1,105,072	1,340,460
Transfers	37,277	23,270	(37,277)	(23,270)	-	-
Reimbursement to Clackamas County	(1,500,000)	-	-	-	(1,500,000)	-
Equity income (loss) in joint venture	-	-	(75,418)	(155,190)	(75,418)	(155,190)
Changes in net position	(451,690)	957,612	(18,656)	227,658	(470,346)	1,185,270
Beginning net position	22,018,550	21,039,395	9,479,559	9,251,901	31,498,109	30,291,296
Prior period adjustments	-	21,543	(43,546)	-	(43,546)	21,543
Ending net position	<u>\$21,566,860</u>	<u>\$22,018,550</u>	<u>\$9,417,357</u>	<u>\$9,479,559</u>	<u>\$30,984,217</u>	<u>\$31,498,109</u>

Governmental activities. Governmental activities decreased the City of Gladstone's net position by \$451,690.

Business-type activities. Business-type activities decreased the City of Gladstone's net position by \$18,656.

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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, unassigned fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year as they have not been limited to use for a particular purpose.

At the end of the fiscal year, the City of Gladstone's governmental funds reported combined ending fund balances of \$8,711,771.

Proprietary funds. The City's proprietary funds are enterprise funds and fiduciary 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. Fiduciary funds do not involve results of operations and are custodial in nature.

Budgetary Highlights

Changes to the General Fund budget included an appropriation transfer from Contingency of \$170,000 to cover operations in the Parks Department, Recreation Department, and Police Department.

Capital Assets and Debt Administration

The following tables compare capital assets and changes in capital assets as of June 30, 2013 and June 30, 2012.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 5,519,830	\$ 5,519,830	\$ 640,964	\$ 640,964	\$ 6,160,794	\$ 6,160,794
Construction in Progress	1,223,341	1,223,341	-	-	1,223,341	1,223,341
Buildings	3,589,007	3,577,792	299,113	299,113	3,888,120	3,876,905
Motor vehicles and equipment	3,854,530	3,751,860	281,641	281,641	4,136,171	4,033,501
Intangible Assets	59,086	17,475	-	-	59,086	17,475
Infrastructure	3,885,906	3,750,461	10,688,976	10,510,143	14,574,882	14,260,604
Total	<u>\$18,131,700</u>	<u>\$17,840,759</u>	<u>\$11,910,694</u>	<u>\$11,731,861</u>	<u>\$30,042,394</u>	<u>\$29,572,620</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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Beginning balance	\$13,078,293	\$12,838,725	\$ 6,670,911	\$ 6,680,557	\$19,749,204	\$19,519,282
Additions	319,844	715,716	178,833	216,679	498,677	932,395
Depreciation	(467,808)	(467,349)	(251,647)	(226,325)	(719,455)	(693,674)
Deletions	-	(8,799)	-	-	-	(8,799)
Ending Balance	<u>\$12,930,329</u>	<u>\$13,078,293</u>	<u>\$ 6,598,097</u>	<u>\$ 6,670,911</u>	<u>\$19,528,426</u>	<u>\$19,749,204</u>

Long-term debt. At June 30, 2013, the City had bonded debt outstanding of \$1,935,000 compared to \$2,050,000 at June 30, 2012. 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 \$25,962,010.

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 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

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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 POSITION
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Cash and investments	\$ 8,003,761	\$ 1,665,602	\$ 9,669,363
Cash with county treasurer	22,678	-	22,678
Accounts receivable	23,792	461,777	485,569
Property taxes receivable	325,862	-	325,862
Prepays	-	158,096	158,096
Due from other governments	55,190	-	55,190
Miscellaneous	17,149	-	17,149
Total current assets	8,448,432	2,285,475	10,733,907
Noncurrent assets:			
Internal balances	496,984	(496,984)	-
Restricted cash and investments	264,609	283,962	548,571
Assessments receivable	-	6,062	6,062
Interest receivable	-	2,564	2,564
Investment in joint venture	-	2,982,475	2,982,475
Capital assets:			
Non depreciable	6,743,171	640,964	7,384,135
Depreciable, net	6,187,158	5,957,133	12,144,291
Total noncurrent assets	13,691,922	9,376,176	23,068,098
Total assets	\$ 22,140,354	\$ 11,661,651	\$ 33,802,005
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 196,635	\$ 236,238	\$ 432,873
Interest payable	-	38,096	38,096
Accrued compensated absences	220,426	16,462	236,888
Bonds payable - current maturity	-	120,000	120,000
Total current liabilities	417,061	410,796	827,857
Noncurrent liabilities:			
Bonds payable	-	1,815,000	1,815,000
OPEB liability	156,433	18,498	174,931
Total noncurrent liabilities	156,433	1,833,498	1,989,931
Total liabilities	573,494	2,244,294	2,817,788
NET POSITION:			
Net investment in capital assets	12,930,329	4,663,097	17,593,426
Restricted for:			
911 system	1,654	-	1,654
Street operations	529,660	-	529,660
Senior center	143,895	-	143,895
Library capital projects	536,245	-	536,245
System development	-	283,962	283,962
Urban Renewal development	2,713,689	-	2,713,689
Unrestricted	4,711,388	4,470,298	9,181,686
Total net position	21,566,860	9,417,357	30,984,217
Total liabilities and net position	\$ 22,140,354	\$ 11,661,651	\$ 33,802,005

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

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CITY OF GLADSTONE, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 941,058	\$ -	\$ -	\$ -
Public safety	3,682,376	234,588	1,589	105,990
Highways and streets	539,069	8,123	-	-
Urban and renewal	46,974	-	-	-
Culture and recreation	1,296,225	64,756	38,848	-
Total governmental activities	<u>6,505,702</u>	<u>307,467</u>	<u>40,437</u>	<u>105,990</u>
Business-type activities:				
Water Fund	1,060,655	1,119,897	-	-
Sewer Fund	1,595,691	1,624,635	-	-
Total business type activities	<u>2,656,346</u>	<u>2,744,532</u>	<u>-</u>	<u>-</u>
Total government	<u>\$ 9,162,048</u>	<u>\$ 3,051,999</u>	<u>\$ 40,437</u>	<u>\$ 105,990</u>

General revenues:

Taxes:

 Property taxes

 Public service taxes

Franchise fees

Interest and investment earnings

Gain (loss) in joint venture

Miscellaneous

Reimbursement to Clackamas County

Transfers in (out)

Total general revenues and transfers

Change in net position

Net position - beginning

Prior period adjustment

Net position - ending

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

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Net Expense Revenue and Change in Net Position		
Governmental Activities	Business Type Activities	Total
\$ (941,058)	\$ -	\$ (941,058)
(3,340,209)	-	(3,340,209)
(530,946)	-	(530,946)
(46,974)	-	(46,974)
(1,192,621)	-	(1,192,621)
<u>(6,051,808)</u>	<u>-</u>	<u>(6,051,808)</u>
-	59,242	59,242
-	28,944	28,944
-	88,186	88,186
<u>(6,051,808)</u>	<u>88,186</u>	<u>(5,963,622)</u>
4,870,744	-	4,870,744
1,541,604	-	1,541,604
492,743	-	492,743
62,810	-	62,810
-	(75,418)	(75,418)
94,940	5,853	100,793
(1,500,000)	-	(1,500,000)
37,277	(37,277)	-
<u>5,600,118</u>	<u>(106,842)</u>	<u>5,493,276</u>
(451,690)	(18,656)	(470,346)
22,018,550	9,479,559	31,498,109
-	(43,546)	(43,546)
<u>\$ 21,566,860</u>	<u>\$ 9,417,357</u>	<u>\$ 30,984,217</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, 2013

	General Fund	State Revenue Sharing Fund	Road and Street Fund
ASSETS:			
Cash and investments	\$ 2,788,366	\$ 706,103	\$ 366,029
Restricted cash and investments	143,895	-	120,714
Cash with county treasurer	15,360	-	-
Accounts receivable	-	23,792	-
Property taxes receivable	221,267	-	-
Due from other funds	-	496,984	-
Due from other governments	-	-	55,190
Miscellaneous	17,149	-	-
Total assets	\$ 3,186,037	\$ 1,226,879	\$ 541,933
LIABILITIES:			
Accounts payable	\$ 177,208	\$ -	\$ 12,273
Total liabilities	177,208	-	12,273
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues - property taxes	204,843	-	-
Total deferred inflows of resources	204,843	-	-
FUND BALANCES:			
Restricted:			
911 system	-	-	-
Street operations	-	-	529,660
Senior center	143,895	-	-
Library capital projects	-	-	-
Urban Renewal development	-	-	-
Assigned:			
Capital projects	-	1,226,879	-
Police services	-	-	-
Fire and emergency services	-	-	-
Unassigned	2,660,091	-	-
Total fund balance	2,803,986	1,226,879	529,660
Total liabilities, deferred inflows of resources and fund balance	\$ 3,186,037	\$ 1,226,879	\$ 541,933

Amounts reported in the statement of net position 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 position 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
\$ 2,705,622	\$ 536,245	\$ 901,396	\$ 8,003,761
-	-	-	264,609
3,901	-	3,417	22,678
-	-	-	23,792
55,965	-	48,630	325,862
-	-	-	496,984
-	-	-	55,190
-	-	-	17,149
<u>\$ 2,765,488</u>	<u>\$ 536,245</u>	<u>\$ 953,443</u>	<u>\$ 9,210,025</u>
\$ -	\$ -	\$ 7,154	\$ 196,635
-	-	7,154	196,635
51,799	-	44,977	301,619
51,799	-	44,977	301,619
-	-	1,654	1,654
-	-	-	529,660
-	-	-	143,895
2,713,689	536,245	-	536,245
-	-	-	2,713,689
-	-	-	1,226,879
-	-	334,258	334,258
-	-	565,400	565,400
-	-	-	2,660,091
2,713,689	536,245	901,312	8,711,771
<u>\$ 2,765,488</u>	<u>\$ 536,245</u>	<u>\$ 953,443</u>	
			12,930,329
			301,619
			(376,859)
			<u>\$ 21,566,860</u>

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

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CITY OF GLADSTONE, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2013

	General Fund	State Revenue Sharing Fund	Road and Street Fund
REVENUES:			
Property taxes	\$ 3,295,049	\$ -	\$ -
Public service taxes	797,831	101,182	628,655
Franchise taxes	492,743	-	-
Grants	110,088	-	-
Charges for services	64,756	-	8,123
Licenses and permits	20,726	-	-
Fines and forfeitures	213,862	-	-
Contributions and donations	36,170	-	-
Interest	30,041	3,372	-
Miscellaneous	85,080	-	9,860
Total revenues	<u>5,146,346</u>	<u>104,554</u>	<u>646,638</u>
EXPENDITURES:			
Current:			
General government	918,452	-	-
Public safety	2,636,629	-	-
Highways and streets	-	-	364,846
Urban and renewal	-	-	-
Culture and recreation	1,153,954	-	-
Capital outlay	298,198	17,297	128,146
Total expenditures	<u>5,007,233</u>	<u>17,297</u>	<u>492,992</u>
Revenues over (under) expenditures	139,113	87,257	153,646
OTHER FINANCING SOURCES (USES):			
Reimbursement to Clackamas County	-	-	-
Transfers in	110,452	-	-
Transfers out	-	-	(55,360)
Total other financing sources (uses)	<u>110,452</u>	<u>-</u>	<u>(55,360)</u>
Net changes in fund balances	249,565	87,257	98,286
FUND BALANCES, BEGINNING	<u>2,554,421</u>	<u>1,139,622</u>	<u>431,374</u>
FUND BALANCES, ENDING	<u>\$ 2,803,986</u>	<u>\$ 1,226,879</u>	<u>\$ 529,660</u>

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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
\$ 839,549	\$ -	\$ 733,056	\$ 4,867,654
-	-	13,936	1,541,604
-	-	-	492,743
-	-	-	110,088
-	-	-	72,879
-	-	-	20,726
-	-	-	213,862
-	-	169	36,339
13,553	10,277	5,567	62,810
-	-	-	94,940
<u>853,102</u>	<u>10,277</u>	<u>752,728</u>	<u>7,513,645</u>
-	-	-	918,452
-	-	695,365	3,331,994
-	-	-	364,846
46,906	-	-	46,906
-	-	-	1,153,954
68,055	3,370	18,090	533,156
<u>114,961</u>	<u>3,370</u>	<u>713,455</u>	<u>6,349,308</u>
738,141	6,907	39,273	1,164,337
-	(1,500,000)	-	(1,500,000)
-	-	-	110,452
-	-	(17,815)	(73,175)
<u>-</u>	<u>(1,500,000)</u>	<u>(17,815)</u>	<u>(1,462,723)</u>
738,141	(1,493,093)	21,458	(298,386)
<u>1,975,548</u>	<u>2,029,338</u>	<u>879,854</u>	<u>9,010,157</u>
<u>\$ 2,713,689</u>	<u>\$ 536,245</u>	<u>\$ 901,312</u>	<u>\$ 8,711,771</u>

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

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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, 2013

Amounts reported in the statement of activities are different because:

Net change in fund balances	\$ (298,386)
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.	(147,964)
Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.	3,090
Accrued compensated absences and OPEB obligations are not due and payable in the current period and therefore are not reported in the funds.	<u>(8,430)</u>
Change in net position of governmental activities	<u>\$ (451,690)</u>

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

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 POSITION
June 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS:			
Current assets:			
Cash and investments	\$ 751,857	\$ 913,745	\$ 1,665,602
Trade accounts receivable	189,716	272,061	461,777
Prepays	158,096	-	158,096
Total current assets	1,099,669	1,185,806	2,285,475
Noncurrent assets:			
Assessments receivable	-	6,062	6,062
Interest receivable	-	2,564	2,564
Restricted cash	138,754	145,208	283,962
Due from other funds	-	150,000	150,000
Investment in joint venture	2,982,475	-	2,982,475
Capital assets:			
Non-depreciable	129,414	511,550	640,964
Depreciable	3,870,252	2,086,881	5,957,133
Total noncurrent assets	7,120,895	2,902,265	10,023,160
Total assets	\$ 8,220,564	\$ 4,088,071	\$ 12,308,635
LIABILITIES:			
Accounts payable	\$ 37,806	\$ 198,432	\$ 236,238
Interest payable	38,096	-	38,096
Accrued compensated absences	8,316	8,146	16,462
Bonds payable - current maturity	120,000	-	120,000
Bonds payable	1,815,000	-	1,815,000
Due to other funds	646,984	-	646,984
OPEB liability	8,603	9,895	18,498
Total liabilities	2,674,805	216,473	2,891,278
NET POSITION:			
Net investment in capital assets	2,064,666	2,598,431	4,663,097
Restricted for:			
System development	138,754	145,208	283,962
Unrestricted	3,342,339	1,127,959	4,470,298
Total net position	5,545,759	3,871,598	9,417,357
Total liabilities and net position	\$ 8,220,564	\$ 4,088,071	\$ 12,308,635

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

CITY OF GLADSTONE, OREGON
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES:			
Service charges	\$ 1,107,498	\$ 1,617,125	\$ 2,724,623
Connection and installation fees	2,520	6,160	8,680
System development charge	9,879	1,350	11,229
Miscellaneous	2,753	3,100	5,853
	<u>1,122,650</u>	<u>1,627,735</u>	<u>2,750,385</u>
OPERATING EXPENSES:			
Purchases	254,024	1,106,612	1,360,636
Salaries and fringe benefits	264,822	230,222	495,044
Maintenance and repairs	268,834	174,270	443,104
Utilities	14,378	367	14,745
Depreciation and amortization	169,335	82,312	251,647
Net OPEB obligation	1,149	1,908	3,057
Miscellaneous	11,922	-	11,922
	<u>984,464</u>	<u>1,595,691</u>	<u>2,580,155</u>
Operating income (loss)	138,186	32,044	170,230
NON-OPERATING INCOME (EXPENSE):			
Interest expense	(76,191)	-	(76,191)
Gain (loss) in joint venture	(75,418)	-	(75,418)
	<u>(151,609)</u>	<u>-</u>	<u>(151,609)</u>
Net income (loss) before operating transfers	(13,423)	32,044	18,621
TRANSFERS:			
Transfers in (out)	(13,286)	(23,991)	(37,277)
Change in net position	(26,709)	8,053	(18,656)
NET POSITION, BEGINNING	5,616,014	3,863,545	9,479,559
Prior period adjustment	(43,546)	-	(43,546)
NET POSITION, ENDING	<u>\$ 5,545,759</u>	<u>\$ 3,871,598</u>	<u>\$ 9,417,357</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, 2013

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,113,289	\$ 1,594,750	\$ 2,708,039
Cash paid to employees and others for salaries and benefits	(260,666)	(226,550)	(487,216)
Cash paid to suppliers and others	(544,228)	(1,248,477)	(1,792,705)
Net cash provided (used) by operating activities	308,395	119,723	428,118
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers in (out)	(13,286)	(23,991)	(37,277)
Net cash provided (used) by non-capital financing activities	(13,286)	(23,991)	(37,277)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(57,941)	(120,892)	(178,833)
Principal paid on capital debt	(115,000)	-	(115,000)
Interest paid on capital debt	(78,347)	-	(78,347)
Net cash provided (used) by capital and related financing activities	(251,288)	(120,892)	(372,180)
Net increase in cash and cash equivalents	43,821	(25,160)	18,661
CASH AND CASH EQUIVALENTS, BEGINNING	846,790	1,084,113	1,930,903
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 890,611</u>	<u>\$ 1,058,953</u>	<u>\$ 1,949,564</u>
COMPRISED AS FOLLOWS:			
Unrestricted	\$ 751,857	\$ 913,745	\$ 1,665,602
Restricted	138,754	145,208	283,962
Total	<u>\$ 890,611</u>	<u>\$ 1,058,953</u>	<u>\$ 1,949,564</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income	\$ 138,186	\$ 32,044	\$ 170,230
Adjustments			
Depreciation and amortization	169,335	82,312	251,647
Decrease (increase) in:			
Accounts receivable	(9,361)	(32,985)	(42,346)
Prepays	(2,521)	-	(2,521)
Increase (decrease) in:			
Accounts payable and accrued expenses	8,600	34,680	43,280
Accrued compensated absences	3,007	1,764	4,771
OPEB obligation	1,149	1,908	3,057
Net cash provided (used) by operating activities	<u>\$ 308,395</u>	<u>\$ 119,723</u>	<u>\$ 428,118</u>

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

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 POSITION
June 30, 2013

	<u>Agency Funds</u>
ASSETS:	
Cash and investments	\$ 28,170
Total assets	<u>\$ 28,170</u>
LIABILITIES:	
Other current liabilities	\$ 28,170
Total liabilities	<u>28,170</u>
NET POSITION:	
Total liabilities and net position	<u>\$ 28,170</u>

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

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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 type and is considered a blended component unit.

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.

Based on the criteria from Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34*, the Gladstone Seniors Foundation, a nonprofit 501(c)(3), and Gladstone Public Library Foundation, a nonprofit 501(c)(3), are considered discretely presented component units. These discretely presented component units are not considered material in relation to the City of Gladstone and accordingly, have not been included in the City of Gladstone's 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).

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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.

Government-wide statements

The statement of net position 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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:

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.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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

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

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.

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.

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 position and changes in net position. 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

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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.

A deferred inflow of resources 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 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 Position, 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 revenue is eliminated. Note that deferred inflow of resources 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.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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 Balance

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 amounts not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

Committed – Includes amounts that have been committed by resolution by the City Council which is the City's "highest level of decision-making authority." Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes amounts assigned for specific purposes by council action. In accordance with the City's adopted fund policy, adopted by resolution, amounts may be assigned by the City Administrator.

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

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.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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 inflows of resources 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 is unknown. 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.

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, 2013.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position 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*

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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 position 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 Position. 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 expensed in the period incurred.

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.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The City does not have deferred outflows of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City only has one type of item that qualifies for reporting in this category, which arises only under the modified accrual basis of accounting. Accordingly, the item "unavailable revenue," is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

P. Net Position

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net position invested in capital assets; restricted net position; and unrestricted net position. Net position invested in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt. Net position invested in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net position is temporarily restricted (ultimately expendable) assets. The remaining net position is 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, 2013 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	\$ 9,906,512
Municipal bond	14.80	30,444
Portfolio weighted average maturity	<u>0.05</u>	<u>\$ 9,936,956</u>

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 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.

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CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

C. Concentration of credit risk

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

D. Custodial credit risk – deposits

Custodial credit risk 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 up to \$250,000 for the combined total of all deposit accounts at each financial institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2013, none of the City's bank balances were exposed to custodial 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, 2013, 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, 2013

Transfers between funds during the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General Fund	\$ 110,452	\$ -
Road & Street Fund	-	55,360
Total Major Governmental Funds	<u>110,452</u>	<u>55,360</u>
Non-major Governmental Funds		
Police / Comm. Levy Fund	-	12,543
Fire / Emergency Services Fund	-	5,272
Total Non-major Governmental Funds	<u>-</u>	<u>17,815</u>
Proprietary Funds		
Water Fund	-	13,286
Sewer Fund	-	23,991
Total Proprietary Funds	<u>-</u>	<u>37,277</u>
Total All Funds	<u>\$ 110,452</u>	<u>\$ 110,452</u>

The Police and Communications Special Levy Fund, Fire and Emergency Services Special Levy Fund, Water Fund, Sewer Fund, and the Road and Street Fund transferred \$55,092 to the General Fund to cover general operating and administrative expenses.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

5. Capital Assets

Capital asset activity for the year ended June 30, 2013 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	1,223,341	-	-	1,223,341
Total capital assets, non-deprec	<u>6,743,171</u>	<u>-</u>	<u>-</u>	<u>6,743,171</u>
Capital assets, depreciable:				
Intangible assets	17,475	41,611	-	59,086
Buildings, structures and improve	3,577,792	11,215	-	3,589,007
Equipment	1,238,016	15,963	(7,206)	1,246,773
Vehicles	2,513,844	115,610	(21,697)	2,607,757
Infrastructure	3,750,461	135,445	-	3,885,906
Total capital assets, depreciable	<u>11,097,588</u>	<u>319,844</u>	<u>(28,903)</u>	<u>11,388,529</u>
Total assets	17,840,759	319,844	(28,903)	18,131,700
Less accum depreciation for:				
Intangible assets	(437)	(5,229)	-	(5,666)
Buildings, structures and improve	(1,370,142)	(86,621)	-	(1,456,763)
Equipment	(1,106,592)	(48,887)	7,206	(1,148,273)
Vehicles	(1,824,520)	(222,133)	21,697	(2,024,956)
Infrastructure	(460,775)	(104,938)	-	(565,713)
Total accumulated depreciation	<u>(4,762,466)</u>	<u>(467,808)</u>	<u>28,903</u>	<u>(5,201,371)</u>
Net depreciable capital assets	<u>6,335,122</u>	<u>(147,964)</u>	<u>-</u>	<u>6,187,158</u>
Net capital assets	<u>\$ 13,078,293</u>	<u>\$ (147,964)</u>	<u>\$ -</u>	<u>\$ 12,930,329</u>

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

Governmental activities:	
General government	\$ 21,275
Public safety	238,896
Roads and highways	131,032
Culture and recreations	76,605
Total depreciation expense	<u>\$ 467,808</u>

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

<u>Business-type activities Totals</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, non-depreciable:				
Land	\$ 640,964	\$ -	\$ -	\$ 640,964
Total capital assets, non-depreciable	<u>640,964</u>	<u>-</u>	<u>-</u>	<u>640,964</u>
Capital assets, depreciable:				
Buildings	299,113	-	-	299,113
Equipment	155,650	-	-	155,650
Vehicles	125,991	-	-	125,991
Infrastructure	10,510,143	178,833	-	10,688,976
Total capital assets, depreciable	<u>11,090,897</u>	<u>178,833</u>	<u>-</u>	<u>11,269,730</u>
Total	11,731,861	178,833	-	11,910,694
Less accumulated depreciation for:				
Buildings	(279,648)	(2,215)	-	(281,863)
Equipment	(118,874)	(17,981)	-	(136,855)
Vehicles	(109,301)	(3,311)	-	(112,612)
Infrastructure	(4,553,127)	(228,140)	-	(4,781,267)
Total accumulated depreciation	<u>(5,060,950)</u>	<u>(251,647)</u>	<u>-</u>	<u>(5,312,597)</u>
Net depreciable capital assets	<u>6,029,947</u>	<u>(72,814)</u>	<u>-</u>	<u>5,957,133</u>
Net capital assets	<u>\$6,670,911</u>	<u>\$ (72,814)</u>	<u>\$ -</u>	<u>\$6,598,097</u>
Business-type activities:				
Water			\$ (169,335)	
Sewer			<u>(82,312)</u>	
Total depreciation expense - business-type activities			<u>\$ (251,647)</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

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CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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 of 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 position in the joint venture as of June 30, 2013 was \$2,982,475. The current year operation of the Commission resulted in a net loss on investment to the City of \$74,418. The City had water purchases from the Commission of \$223,924 for the year ended June 30, 2013.

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. Construction in Process

For the year ended June 30, 2013 the City had \$1,233,341 in construction in process. The City had set out to design and build a new library that would support the City of Gladstone and Oak Lodge area two years ago. Near the end of the design process citizens approved ballot measures amending the City Charter. These amendments required the City to seek voter approval to move forward with the library construction project. On November 6, 2012, the project was rejected by the voters.

In May 2013 the City reimbursed Clackamas County \$1,500,000 in previously contributed funds to support the project. However, Clackamas County will return the money if the City comes up with a revised library project. The City is working to find a revised library project that will meet voter approval. There is a possibility the revised project could use a portion of the previously designed building. The City must submit a revised plan by June 30, 2014 for the funds to be returned.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

8. Deferred Inflows of Resources

Deferred revenue as of June 30, 2013 consists of the following:

	General Fund	Fire & Emergency Services Special Levy Fund	Police & Communications Special Levy Fund	Urban Renewal Fund	Total
Property taxes	\$ 204,843	\$ 14,800	\$ 30,177	\$ 51,799	\$ 301,619

9. Long Term Debt

A. Changes in General Long-Term Liabilities

During the year ended June 30, 2013, long-term liability activity was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities					
Compensated absences	\$ 234,498	\$ 220,426	\$ (234,498)	\$ 220,426	\$ 220,426
Other postemployment benefits	133,931	22,502	-	156,433	-
Governmental activities					
Long-term liabilities	<u>\$ 368,429</u>	<u>\$ 242,928</u>	<u>\$ (234,498)</u>	<u>\$ 376,859</u>	<u>\$ 220,426</u>
Business-type Activities					
Bonds	\$ 2,050,000	\$ -	\$ (115,000)	\$ 1,935,000	\$ 120,000
Compensated absences	11,691	16,462	(11,691)	16,462	16,462
Other postemployment benefits	15,441	3,057	-	18,498	-
Business-type activities					
Long-term liabilities	<u>\$ 2,077,132</u>	<u>\$ 19,519</u>	<u>\$ (126,691)</u>	<u>\$ 1,969,960</u>	<u>\$ 136,462</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.

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CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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.	<u>\$ 1,935,000</u>
Total bonds payable	<u>\$ 1,935,000</u>

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

Business-type Activities				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
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	3.800 %	135,000	54,891	189,891
2019-2023	3.800 - 4.125 %	765,000	190,550	955,550
2024-2028	4.000 - 4.125 %	540,000	32,800	572,800
Total		\$ 1,935,000	\$ 545,912	\$ 2,480,912

10. Net Position

Net position resulting from the City's receipt of state gas tax revenue is restricted for road and street repairs and improvement in the amount of \$529,660.

11. 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.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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, 2013 was 12.84% and the annual pension cost was \$417,726. The OPSRP rates in effect for the year ended June 30, 2013 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, 2013, 2012 and 2011 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 341,456	100%	-
6/30/12	419,507	100%	-
6/30/13	417,726	100%	-

12. 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.

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CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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, 2013 is:

	<u>Regence</u>	<u>Kaiser</u>
Employee	\$ 490	\$ 540
Employee + child	896	977
Employee + spouse	1,224	1,114
Employee + family	1,408	1,572

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.

The annual OPEB cost and net OPEB obligation at June 30, 2013 is as follows:

	<u>2013</u>
Annual Required Contribution (ARC)	\$ 32,438
Interest on Net OPEB Obligation	5,975
Adjustment to ARC	<u>(5,335)</u>
Annual OPEB cost	33,078
Contributions made	<u>(7,519)</u>
Increase in Net OPEB Obligation	25,559
Net OPEB Obligation – beginning of year	<u>149,372</u>
Net OPEB Obligation – end of year	<u>\$ 174,931</u>

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

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB Cost</u> <u>Contribution</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/2013	\$ 33,078	23%	\$ 174,931
6/30/2012	\$ 82,432	49%	\$ 149,372
6/30/2011	\$ 79,622	36%	\$ 106,971

D. Funding Status

As of July 1, 2012, the most recent actuarial valuation, the plan was zero percent funded. The actuarial accrued liability (AAL) for benefits was \$296,770 and also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) was \$2,525,297 and the ratio of the UAAL to the covered payroll was 11.8%.

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 assumptions 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.

In the July 1, 2012 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 8% for 2013, grading down over seventeen years to 5%. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized over an open period of 30 years.

13. Retirement Health Insurance Account (RHIA)

A. Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other 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.

B. Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 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, 2013 equaled the required contributions.

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CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

14. 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 \$1,1066,612 were made to the service districts during fiscal year 2013 under these agreements.

15. 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 2012 to 2013. 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.

16. 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.

17. Subsequent Event

On October 8, 2013, Resolution 1030 and 1031 were passed for the Water Fund to repay \$150,000 borrowed from the Sewer Fund by June 30, 2014 and to forgive the \$496,984 loan from the State Revenue Sharing Fund to the Water Fund as it was an appropriate use for revenue sharing.

18. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, Statement No. 62, *Codification of Accounting and Financial Reporting Guidance in Pre-November 30, 1989 FASB and AICPA Pronouncements*, Statement No. 63, *Financial Reporting of Deferred Outflows of Resource, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The City implemented GASB Statement No. 61, 62, 63, and 65.

19. Prior Period Adjustment

In accordance with the provisions of GASB Statement No. 65, bond issuance costs are to be expensed in the period incurred. This change in accounting principle resulted in a prior period adjustment in the amount of \$43,546.

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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, 2013

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 3,072,387	\$ 3,072,387	\$ 3,295,049	\$ 222,662
Public service taxes	681,000	681,000	797,831	116,831
Franchise taxes	486,525	486,525	492,743	6,218
Grants	609,535	609,535	110,088	(499,447)
Charges for services	62,400	62,400	64,756	2,356
Licenses and permits	19,500	19,500	20,726	1,226
Fines and forfeitures	170,000	170,000	213,862	43,862
Contributions and donations	31,500	31,500	36,170	4,670
Interest	15,000	15,000	30,041	15,041
Miscellaneous	83,140	83,140	85,080	1,940
Total revenues	5,230,987	5,230,987	5,146,346	(84,641)
EXPENDITURES:				
General government	1,045,785	1,045,785	918,452	127,333
Public safety	2,944,290	3,014,290	2,636,629	377,661
Cultural and recreation	1,223,902	1,323,902	1,153,954	169,948
Capital outlay	1,341,457	1,341,457	298,198	1,043,259
Contingency	401,471	231,471	-	231,471
Total expenditures	6,956,905	6,956,905	5,007,233	1,949,672
Revenues over (under) expenditures	(1,725,918)	(1,725,918)	139,113	1,865,031
OTHER FINANCING SOURCES (USES):				
Transfers in	110,452	110,452	110,452	-
Total other financing sources (uses)	110,452	110,452	110,452	-
Net changes in fund balances	(1,615,466)	(1,615,466)	249,565	1,865,031
FUND BALANCES, BEGINNING	2,165,320	2,165,320	2,554,421	389,101
FUND BALANCES, ENDING	\$ 549,854	\$ 549,854	\$ 2,803,986	\$ 2,254,132

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**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, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Grants	\$ 92,000	\$ 92,000	\$ 101,182	\$ 9,182
Interest	1,700	1,700	3,372	1,672
Total revenues	93,700	93,700	104,554	10,854
EXPENDITURES:				
Capital outlay	809,218	809,218	17,297	791,921
Total expenditures	809,218	809,218	17,297	791,921
Revenues over (under) expenditures	(715,518)	(715,518)	87,257	802,775
OTHER FINANCING SOURCES (USES):				
Interfund loan receipts	99,396	99,396	-	(99,396)
Total other financing sources (uses)	99,396	99,396	-	(99,396)
Net changes in fund balances	(616,122)	(616,122)	87,257	703,379
FUND BALANCES, BEGINNING BUDGETARY BASIS	616,122	616,122	642,638	26,516
FUND BALANCES, ENDING BUDGETARY BASIS	\$ -	\$ -	729,895	\$ 729,895
Interfund loan and interest receivable			496,984	
FUND BALANCES, ENDING			<u>\$ 1,226,879</u>	

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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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Public service taxes	\$ 584,562	\$ 584,562	\$ 628,655	\$ 44,093
Charges for services	5,000	5,000	8,123	3,123
Miscellaneous	500	500	9,860	9,360
Total revenues	590,062	590,062	646,638	56,576
EXPENDITURES:				
Personnel service	171,034	171,034	163,116	7,918
Materials and service	223,575	248,575	201,730	46,845
Capital outlay	393,783	368,783	128,146	240,637
Total expenditures	788,392	788,392	492,992	295,400
Revenues over (under) expenditures	(198,330)	(198,330)	153,646	351,976
OTHER FINANCING SOURCES (USES):				
Transfers out	(55,360)	(55,360)	(55,360)	-
Total other financing sources (uses)	(55,360)	(55,360)	(55,360)	-
Net changes in fund balances	(253,690)	(253,690)	98,286	351,976
FUND BALANCES, BEGINNING	253,690	253,690	431,374	177,684
FUND BALANCES, ENDING	\$ -	\$ -	\$ 529,660	\$ 529,660

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**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, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 826,633	\$ 826,633	\$ 839,549	\$ 12,916
Interest	4,000	4,000	13,553	9,553
Total revenues	830,633	830,633	853,102	22,469
EXPENDITURES:				
Materials and service	61,300	61,300	46,906	14,394
Capital outlay	2,175,754	2,175,754	68,055	2,107,699
Debt service:				
Principal	230,000	230,000	-	230,000
Interest	300,000	300,000	-	300,000
Total expenditures	2,767,054	2,767,054	114,961	2,652,093
Revenues over (under) expenditures	(1,936,421)	(1,936,421)	738,141	2,674,562
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	(1,936,421)	(1,936,421)	738,141	2,674,562
FUND BALANCES, BEGINNING	1,936,421	1,936,421	1,975,548	39,127
FUND BALANCES, ENDING	\$ -	\$ -	\$ 2,713,689	\$ 2,713,689

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CITY OF GLADSTONE, OREGON
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2013

Other Post-Employment Benefits

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2009	\$ -	\$ 699,333	\$ 699,333	0.00%	\$ 2,937,298	24.00%
7/1/2012	-	296,770	296,770	0.00%	2,525,297	11.80%

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

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CITY OF GLADSTONE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2013

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, 2013. Appropriations lapse as of year-end.

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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, 2013

	911 Excise Tax Resource Fund	Police and Communications Special Levy Fund	Fire and Emergency Services Special Levy Fund	Total
ASSETS:				
Cash and investments	\$ 1,654	\$ 336,634	\$ 563,108	\$ 901,396
Cash with county treasurer	-	2,309	1,108	3,417
Property taxes receivable	-	32,646	15,984	48,630
Total assets	<u>\$ 1,654</u>	<u>\$ 371,589</u>	<u>\$ 580,200</u>	<u>\$ 953,443</u>
LIABILITIES:				
Accounts payable	\$ -	\$ 7,154	\$ -	\$ 7,154
Total liabilities	-	7,154	-	7,154
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues - property taxes	-	30,177	14,800	44,977
Total deferred inflows of resources	-	30,177	14,800	44,977
FUND BALANCES:				
Restricted:				
911 system	1,654	-	-	1,654
Assigned:				
Police services	-	334,258		334,258
Fire and emergency services	-	-	565,400	565,400
Total fund balances	<u>1,654</u>	<u>334,258</u>	<u>565,400</u>	<u>901,312</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,654</u>	<u>\$ 371,589</u>	<u>\$ 580,200</u>	<u>\$ 953,443</u>

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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, 2013

	911 Excise Tax Resource Fund	Police and Communications Special Levy Fund	Fire and Emergency Services Special Levy Fund	Total
REVENUES:				
Property taxes	\$ -	\$ 495,530	\$ 237,526	\$ 733,056
Public service taxes	13,936	-	-	13,936
Contributions and donations	-	169	-	169
Interest	200	2,346	3,021	5,567
Total revenues	14,136	498,045	240,547	752,728
EXPENDITURES:				
Public safety	40,000	539,876	115,489	695,365
Capital outlay	-	16,583	1,507	18,090
Total expenditures	40,000	556,459	116,996	713,455
Revenues over (under) expenditures	(25,864)	(58,414)	123,551	39,273
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(12,543)	(5,272)	(17,815)
Total other financing sources (uses)	-	(12,543)	(5,272)	(17,815)
Net changes in fund balances	(25,864)	(70,957)	118,279	21,458
FUND BALANCES, BEGINNING	27,518	405,215	447,121	879,854
FUND BALANCES, ENDING	\$ 1,654	\$ 334,258	\$ 565,400	\$ 901,312

CITY OF GLADSTONE, OREGON
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Municipal Court Fund				
Assets				
Cash	\$ 3,348	\$ 2,767	\$ -	\$ 6,115
Liabilities				
Other current liabilities	\$ 3,348	\$ 2,767	\$ -	\$ 6,115
 Library Board Trust Fund				
Assets				
Cash	\$ 21,928	\$ 127	\$ -	\$ 22,055
Liabilities				
Other current liabilities	\$ 21,928	\$ 127	\$ -	\$ 22,055
 Totals - All Agency Funds				
Assets				
Cash	\$ 25,276	\$ 2,894	\$ -	\$ 28,170
Liabilities				
Other current liabilities	\$ 25,276	\$ 2,894	\$ -	\$ 28,170

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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

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CITY OF GLADSTONE, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
General Administration:				
Personnel services	\$ 474,585	\$ 474,585	\$ 448,341	\$ 26,244
Materials and services	571,200	571,200	470,111	101,089
Subtotal	1,045,785	1,045,785	918,452	127,333
Municipal Court:				
Personnel services	172,063	172,063	158,059	14,004
Materials and services	93,860	93,860	77,699	16,161
Subtotal	265,923	265,923	235,758	30,165
Police:				
Personnel services	1,696,229	1,696,229	1,518,353	177,876
Materials and services	226,000	296,000	239,815	56,185
Subtotal	1,922,229	1,992,229	1,758,168	234,061
Fire:				
Personnel services	432,888	432,888	407,746	25,142
Materials and services	323,250	323,250	234,957	88,293
Capital outlay	728,000	728,000	165,078	562,922
Subtotal	1,484,138	1,484,138	807,781	676,357
Parks:				
Personnel services	148,589	148,589	142,615	5,974
Materials and services	109,050	179,050	155,347	23,703
Capital outlay	311,835	311,835	25,950	285,885
Subtotal	569,474	639,474	323,912	315,562
Recreation:				
Personnel services	27,000	27,000	14,551	12,449
Materials and services	35,150	65,150	44,240	20,910
Subtotal	62,150	92,150	58,791	33,359

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CITY OF GLADSTONE, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Senior Center:				
Personnel services	206,061	206,061	198,886	7,175
Materials and services	47,200	47,200	36,874	10,326
Capital outlay	198,622	198,622	25,480	173,142
Subtotal	<u>451,883</u>	<u>451,883</u>	<u>261,240</u>	<u>190,643</u>
Library:				
Personnel services	568,498	568,498	485,806	82,692
Materials and services	82,354	82,354	75,635	6,719
Capital outlay	103,000	103,000	81,690	21,310
Subtotal	<u>753,852</u>	<u>753,852</u>	<u>643,131</u>	<u>110,721</u>
Total expenditures	<u>\$ 6,555,434</u>	<u>\$ 6,725,434</u>	<u>\$ 5,007,233</u>	<u>\$ 1,718,201</u>

**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, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ 8,000	\$ 8,000	\$ 10,277	\$ 2,277
Miscellaneous	500,000	500,000	-	(500,000)
Total revenues	508,000	508,000	10,277	(497,723)
EXPENDITURES:				
Capital outlay	9,114,814	9,114,814	3,370	9,111,444
Total expenditures	9,114,814	9,114,814	3,370	9,111,444
Revenues over (under) expenditures	(8,606,814)	(8,606,814)	6,907	8,613,721
OTHER FINANCING SOURCES (USES):				
Reimbursement to Clackamas County	-	-	(1,500,000)	(1,500,000) *
Transfers in	7,000,000	7,000,000	-	(7,000,000)
Transfers out	(393,186)	(393,186)	-	393,186
Total other financing sources (uses)	6,606,814	6,606,814	(1,500,000)	(8,106,814)
Net changes in fund balances	(2,000,000)	(2,000,000)	(1,493,093)	506,907
FUND BALANCES, BEGINNING	2,000,000	2,000,000	2,029,338	29,338
FUND BALANCES, ENDING	\$ -	\$ -	\$ 536,245	\$ 536,245

* Exempt from Oregon Budget Law

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Public service taxes	\$ 30,000	\$ 30,000	\$ 13,936	\$ (16,064)
Interest	-	-	200	200
Total revenues	30,000	30,000	14,136	(15,864)
EXPENDITURES:				
Materials and service	40,000	40,000	40,000	-
Total expenditures	40,000	40,000	40,000	-
Revenues over (under) expenditures	(10,000)	(10,000)	(25,864)	(15,864)
Net changes in fund balances	(10,000)	(10,000)	(25,864)	(15,864)
FUND BALANCES, BEGINNING	10,000	10,000	27,518	17,518
FUND BALANCES, ENDING	\$ -	\$ -	\$ 1,654	\$ 1,654

**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, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 485,968	\$ 485,968	\$ 495,530	\$ 9,562
Contributions and donations	-	-	169	169
Interest	2,500	2,500	2,346	(154)
Total revenues	488,468	488,468	498,045	9,577
EXPENDITURES:				
Personnel service	541,270	541,270	538,598	2,672
Materials and service	114,850	154,850	1,278	153,572
Capital outlay	270,134	230,134	16,583	213,551
Total expenditures	926,254	926,254	556,459	369,795
Revenues over (under) expenditures	(437,786)	(437,786)	(58,414)	379,372
OTHER FINANCING SOURCES (USES):				
Transfers out	(12,543)	(12,543)	(12,543)	-
Total other financing sources (uses)	(12,543)	(12,543)	(12,543)	-
Net changes in fund balances	(450,329)	(450,329)	(70,957)	379,372
FUND BALANCES, BEGINNING	450,329	450,329	405,215	(45,114)
FUND BALANCES, ENDING	\$ -	\$ -	\$ 334,258	\$ 334,258

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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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 225,859	\$ 225,859	\$ 237,526	\$ 11,667
Interest	2,000	2,000	3,021	1,021
Total revenues	<u>227,859</u>	<u>227,859</u>	<u>240,547</u>	<u>12,688</u>
EXPENDITURES:				
Personnel service	130,841	130,841	110,405	20,436
Materials and service	20,000	20,000	5,084	14,916
Capital outlay	512,690	512,690	1,507	511,183
Total expenditures	<u>663,531</u>	<u>663,531</u>	<u>116,996</u>	<u>546,535</u>
Revenues over (under) expenditures	(435,672)	(435,672)	123,551	559,223
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(5,272)</u>	<u>(5,272)</u>	<u>(5,272)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,272)</u>	<u>(5,272)</u>	<u>(5,272)</u>	<u>-</u>
Net changes in fund balances	(440,944)	(440,944)	118,279	559,223
FUND BALANCES, BEGINNING	<u>440,944</u>	<u>440,944</u>	<u>447,121</u>	<u>6,177</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 565,400</u>	<u>\$ 565,400</u>

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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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Service charges	\$ 1,050,000	\$ 1,050,000	1,107,498	\$ 57,498
Connection and installation fees	2,500	2,500	2,520	20
System development charge	1,500	1,500	9,879	8,379
Miscellaneous	500	500	2,753	2,253
Total revenues	1,054,500	1,054,500	1,122,650	68,150
EXPENDITURES:				
Personnel service	298,090	298,090	264,822	33,268
Materials and service	672,100	672,100	511,170	160,930
Capital outlay	368,444	363,444	95,929	267,515
Debt service:				
Principal	115,000	120,000	115,000	5,000
Interest	78,347	78,347	78,347	-
Total expenditures	1,531,981	1,531,981	1,065,268	466,713
Revenues over (under) expenditures	(477,481)	(477,481)	57,382	534,863
OTHER FINANCING SOURCES (USES):				
Interfund loan receipts	(129,396)	(129,396)	-	129,396
Transfers out	(13,286)	(13,286)	(13,286)	-
Total other financing sources (uses)	(142,682)	(142,682)	(13,286)	129,396
Net changes in fund balances	(620,163)	(620,163)	44,096	664,259
FUND BALANCES, BEGINNING	620,163	620,163	962,977	342,814
FUND BALANCES, ENDING	\$ -	\$ -	\$ 1,007,073	\$ 1,007,073
			<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above			\$ 1,122,650	\$ 1,065,268
Operating transfers in/out			-	13,286
Expenditures capitalized			-	(57,941)
Debt service principal payments			-	(115,000)
Depreciation expense			-	169,335
Accrued interest payable			-	(2,156)
Net OPEB obligation			-	1,149
Equity in net income/loss of joint venture			(75,418)	-
Total revenues and expenses - generally accepted accounting principles			<u>\$ 1,047,232</u>	<u>1,073,941</u>
Change in net position				<u>\$ (26,709)</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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Service charge	\$ 1,552,742	\$ 1,552,742	\$ 1,617,125	\$ 64,383
Connection and installation fees	2,000	2,000	6,160	4,160
System development charge	500	500	1,350	850
Miscellaneous	600	600	3,100	2,500
Total revenues	<u>1,555,842</u>	<u>1,555,842</u>	<u>1,627,735</u>	<u>71,893</u>
EXPENDITURES:				
Personnel service	239,987	239,987	230,222	9,765
Materials and service	1,434,257	1,574,257	1,189,809	384,448
Capital outlay	741,868	601,868	212,332	389,536
Total expenditures	<u>2,416,112</u>	<u>2,416,112</u>	<u>1,632,363</u>	<u>783,749</u>
Revenues over (under) expenditures	(860,270)	(860,270)	(4,628)	855,642
OTHER FINANCING SOURCES (USES):				
Transfers out	(23,991)	(23,991)	(23,991)	-
Total other financing sources (uses)	<u>(23,991)</u>	<u>(23,991)</u>	<u>(23,991)</u>	<u>-</u>
Net changes in fund balances	(884,261)	(884,261)	(28,619)	855,642
FUND BALANCES, BEGINNING	<u>884,261</u>	<u>884,261</u>	<u>937,457</u>	<u>53,196</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 908,838</u>	<u>\$ 908,838</u>

	Revenues	Expenditures
Total revenue and expenditures above	\$ 1,627,735	\$ 1,632,363
Operating transfers in/out	-	23,991
Expenditures capitalized	-	(120,892)
Depreciation and amortization expense	-	82,312
Net OPEB obligation	-	1,908
Total revenues and expenses - generally accepted accounting principles	<u>\$ 1,627,735</u>	<u>1,619,682</u>
Change in net position		<u>\$ 8,053</u>

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OTHER FINANCIAL SCHEDULES

CITY OF GLADSTONE, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
For the Fiscal Year Ended June 30, 2013

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2012</u>	<u>2012-2013 Levy</u>	<u>Adjustments/ Discount</u>	<u>Collections</u>	<u>Uncollected Balance June 30, 2013</u>
2012-2013	\$ -	\$ 5,003,420	\$ (138,994)	\$ (4,716,514)	\$ 147,912
2011-2012	161,708	-	(6,063)	(72,383)	83,262
2010-2011	81,909	-	(4,208)	(24,859)	52,842
2009-2010	53,826	-	(641)	(23,398)	29,787
2008-2009	16,296	-	(307)	(10,714)	5,275
2007-2008	3,075	-	(230)	(794)	2,051
Prior years	5,600	-	(228)	(639)	4,733
Totals	\$ 322,414	\$ 5,003,420	\$ (150,671)	\$ (4,849,301)	\$ 325,862

Taxes receivable classified by fund:

General Fund	\$ 221,267
Police Fund	32,646
Fire Fund	15,984
Urban Renewal Agency Debt Service Fund	55,965
	<u>\$ 325,862</u>

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**INDEPENDENT AUDITOR'S REPORT REQUIRED
BY OREGON STATE REGULATION**

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATION**

We have audited the basic financial statements 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 and for the year ended June 30, 2013 and have issued our report thereon dated December 27, 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 City of Gladstone, Oregon'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 of Gladstone, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except for the following:

- Amounts in the budget resolution did not all agree to the budget document as the approved column was used rather than the adopted.

OAR 162-10-0230 Internal Control

Management of City of Gladstone, Oregon is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Gladstone, Oregon'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 of Gladstone, Oregon's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Gladstone, Oregon's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

We have communicated suggestions for improvements of the City of Gladstone, Oregon's processes in a separate letter to management dated December 27, 2013.

This report is intended solely for the information and use of the City Council, 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

Merina & Company, LLP
West Linn, Oregon
December 27, 2013

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December 27, 2013

To the Agency Officials
Gladstone Urban Renewal Agency
Gladstone, Oregon

We have audited the financial statements of the governmental activities and the major fund of Gladstone Urban Renewal Agency, a component unit of the City of Gladstone, Oregon for the year ended June 30, 2013. Professional standards (for Certified Public Accountants) require that we provide you with 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 June 24, 2013. 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 Gladstone Urban Renewal Agency are described in Note 1 to the financial statements. As described in Note 7 to the financial statements, the Gladstone Urban Renewal Agency implemented three new accounting pronouncement, GASB 61, 63, and 65. 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 Gladstone Urban Renewal Agency's financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly 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 is 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 December 27, 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, the City consulted with another accountant to review the audit adjustments and prepare the financial statements.

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

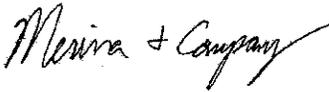
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underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Agency Officials and management of Gladstone Urban Renewal 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,

A handwritten signature in cursive script that reads "Merina & Company".

Merina & Company, LLP
Certified Public Accountants and Consultants

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GLADSTONE URBAN RENEWAL AGENCY

FINANCIAL STATEMENTS

For the Fiscal Year Ended
June 30, 2013

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

**GLADSTONE URBAN RENEWAL AGENCY
LIST OF PRINCIPAL OFFICIALS
June 30, 2013**

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

Neal Reisner
Gladstone, Oregon 97027

December 31, 2016

Len Nelson
Gladstone, Oregon 97027

December 31, 2016

Hal Busch
Gladstone, Oregon 97027

December 31, 2014

Thomas Mersereau
Gladstone, Oregon 97027

December 31, 2016

Administrator

Peter Boyce
Gladstone, Oregon 97027

Assistant Administrator

Jolene Morishita
Gladstone, Oregon 97027

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FINANCIAL SECTION

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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 Gladstone Urban Renewal Agency, a component unit of the City of Gladstone, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Gladstone Urban Renewal Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of Gladstone Urban Renewal Agency, as of June 30, 2013, and the respective changes in financial position, and the respective budgetary comparison for the Agency Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 7 to the financial statements, the City adopted the new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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 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.

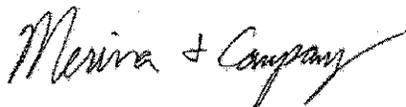
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gladstone Urban Renewal Agency's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic 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.

Other Reporting Required by Oregon Revised Statutes

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 27, 2013, on our consideration of the Gladstone Urban Renewal Agency's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. 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.



Merina & Company, LLP
West Linn, Oregon
December 27, 2013

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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, 2013.

Financial Highlights

The assets of the Gladstone Urban Renewal Agency exceeded its liabilities at the close of the most recent fiscal year by \$2,765,488 (net position). This amount may be used to meet the Agency's ongoing obligations to citizens and creditors.

The Gladstone Urban Renewal Agency's total net position increased by \$738,846 from the fiscal year ending in 2012 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 \$2,713,689. The difference between \$2,765,488 unrestricted net position and the ending fund balance of \$2,713,689 is due to uncollected property tax.

REPORT LAYOUT

The Management Discussion and Analysis (MD&A) is intended to serve as an introduction to the Gladstone Urban Renewal Agency's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The report also contains other supplementary data in addition to the basic financial statements themselves.

Government-Wide Financial Statements

These two statements present an overview of the Agency's finances, in a manner similar to the private sector. Each statement presents highly condensed, entity-wide information and uses the full accrual basis of accounting.

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

The Statement of Activities focuses on the change in net position over the last year. The costs of the Agency's programs are presented and show to what extent governmental activities are subsidized by taxes and other general revenues.

Fund Financial Statements

Following the government-wide statements is a section containing fund financial statements. The Agency's fund is presented in its own column. A "Budgetary Comparison Statement" is included as part of the "Basic Financial Statements."

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Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Completing the document is a report by the independent certified public accountant, as required by statute.

AGENCY AS A WHOLE

Government-Wide Financial Statements

Statement of Net Position at June 30, 2013:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$2,765,488 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 Position for fiscal years 2012-2013 and 2011-2012.

	<u>2013</u>	<u>2012</u>	<u>Total Change</u>
Cash and investments	\$ 2,705,622	\$ 1,967,723	\$ 737,899
Due from other governments	3,901	3,749	152
Property taxes receivable	55,965	55,170	795
Total assets	\$ 2,765,488	\$ 2,026,642	\$ 738,846
Net assets:			
Unrestricted	\$ 2,765,488	\$ 2,026,642	\$ 738,846
Total net position	\$ 2,765,488	\$ 2,026,642	\$ 738,846

The following table summarizes revenues and expenses for fiscal years 2012-2013 and 2011-2012.

**Table 2
Governmental Activities**

	<u>2013</u>	<u>2012</u>	<u>Total Change</u>
REVENUES			
General Revenues:			
Property taxes	\$ 840,254	\$ 829,607	\$ 10,647
Interest	13,553	8,482	5,071
Total revenues	853,807	838,089	15,718
EXPENSES			
Community development	114,961	135,978	(21,017)
Increase (Decrease) in net position	738,846	702,111	36,735
Beginning net position	2,026,642	1,324,531	702,111
Ending net position	\$ 2,765,488	\$ 2,026,642	\$ 738,846

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Governmental Activities. Governmental activities increased the Gladstone Urban Renewal Agency's net position by \$738,846.

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 net position may serve as useful measure of a government's net resources available for spending at the end of the fiscal year. The \$2,765,488 ending net position 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 2012-2013.

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.

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BASIC FINANCIAL STATEMENTS

GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF NET POSITION
June 30, 2013

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 2,705,622
Due from other governments	3,901
Property taxes receivable	<u>55,965</u>
 Total assets	 <u><u>\$ 2,765,488</u></u>
 NET POSITION:	
Unrestricted:	
Urban Renewal Development	<u>2,765,488</u>
 Total net position	 <u><u>\$ 2,765,488</u></u>

The accompanying notes are an integral part of these financial statements

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GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

	<u>Expenses</u>	<u>Net Revenue (Expenses) and Changes in Net Position</u>
EXPENSES:		
Governmental activities:		
Community development	\$ 114,961	\$ (114,961)
Total program expenses		<u>(114,961)</u>
GENERAL REVENUES:		
Property taxes		840,254
Interest		<u>13,553</u>
Total general revenues		<u>853,807</u>
Change in net position		738,846
NET POSITION, BEGINNING		<u>2,026,642</u>
NET POSITION, ENDING		<u><u>\$ 2,765,488</u></u>

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The accompanying notes are an integral part of these financial statements

**GLADSTONE URBAN RENEWAL AGENCY
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2013**

ASSETS:

Cash and cash equivalents	\$ 2,705,622
Due from other governments	3,901
Property taxes receivable	<u>55,965</u>
 Total assets	 <u><u>\$ 2,765,488</u></u>

DEFERRED INFLOWS OF RESOURCES:

Unavailable revenue - property taxes	<u>\$ 51,799</u>
 Total deferred inflows of resources	 <u>51,799</u>

FUND BALANCE:

Unrestricted:	
Urban Renewal Development	<u>2,713,689</u>
 Total fund balance	 <u>2,713,689</u>
 Total deferred inflows of resources and fund balance	 <u><u>\$ 2,765,488</u></u>

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

Total fund balance	\$ 2,713,689
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the fund	 <u>51,799</u>
 Net position of governmental activities	 <u><u>\$ 2,765,488</u></u>

GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2013

REVENUES:

Property taxes	\$ 839,549
Interest on investments	<u>13,553</u>
Total revenues	<u>853,102</u>

EXPENDITURES:

Materials and services	46,906
Capital outlay	<u>68,055</u>
Total expenditures	<u>114,961</u>

Net change in fund balance 738,141

FUND BALANCE, BEGINNING 1,975,548

FUND BALANCE, ENDING \$ 2,713,689

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The accompanying notes are an integral part of these financial statements

**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, 2013**

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

Net change in fund balance - total governmental fund	\$ 738,141
Some revenue reported in the statement of activities do not provide current financial resources in the government fund	<u>705</u>
Changes in net position of governmental activities	<u>\$ 738,846</u>

**GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 826,633	\$ 826,633	\$ 839,549	\$ 12,916
Interest on investments	4,000	4,000	13,553	9,553
Total revenues	830,633	830,633	853,102	22,469
EXPENDITURES:				
Materials and services	61,300	61,300	46,906	14,394
Capital outlay	2,175,754	2,175,754	68,055	2,107,699
Debt service:				
Principal	230,000	230,000	-	230,000
Interest	300,000	300,000	-	300,000
Total expenditures	2,767,054	2,767,054	114,961	2,652,093
Revenues over (under) expenditures	(1,936,421)	(1,936,421)	738,141	2,674,562
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	(1,936,421)	(1,936,421)	738,141	2,674,562
FUND BALANCES, BEGINNING	1,936,421	1,936,421	1,975,548	39,127
FUND BALANCES, ENDING	\$ -	\$ -	\$ 2,713,689	\$ 2,713,689

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The accompanying notes are an integral part of these financial statements

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

(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, 2013.

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 position 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.

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GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures.

The GASB 34 model sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures of either fund category) 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.

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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 inflow of resources 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. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The Agency does not have deferred outflows of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Agency only has one type of item that qualifies for reporting in this category, which arises only under the modified accrual basis of accounting. Accordingly, the item "unavailable revenue," is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

H. Fund Balance

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 amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

Committed – Includes amounts that have been committed by resolution by the Agency's Board of Directors which is the Agency's "highest level of decision-making authority." Committed

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

amounts may not be used for any other purpose unless the Board of Directors removes the constraint by similar 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.

I. 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.

J. 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.

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GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

(3) Cash and Cash Equivalents

At June 30, 2013 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	<u>0.00</u>	<u>\$ 2,705,622</u>

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.

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

Custodial credit risk 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 up to \$250,000 for the combined total of all deposit accounts at each financial institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2013, none of the Agency's bank balances were exposed to custodial credit risk.

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GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

(4) Property Taxes

Property tax transactions for the year ended June 30, 2013, were as follows:

Tax Year	Taxes	2012-2013 Levy	Collections	Adjustments and Discounts	Taxes
	Receivable July 1, 2012				Receivable June 30, 2013
2012-2013	\$ -	\$ 863,197	\$ (813,699)	\$ (23,979)	\$ 25,519
2011-2012	27,744	-	(12,419)	(1,040)	14,285
2010-2011	14,240	-	(4,322)	(732)	9,186
2009-2010	9,122	-	(3,965)	(109)	5,048
2008-2009	2,718	-	(1,786)	(51)	881
2007-2008	509	-	(132)	(38)	339
Prior	837	-	(93)	(37)	707
	<u>\$ 55,170</u>	<u>\$ 863,197</u>	<u>\$ (836,416)</u>	<u>\$ (25,986)</u>	<u>\$ 55,965</u>

(5) Deferred Inflows of Resources

Deferred inflow of resources as of June 30, 2013 consisted 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 2012 to 2013.

(7) New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The Agency implemented GASB Statement No. 61, 63, and 65 in the year ending June 30, 2013.

13-123

**INDEPENDENT AUDITOR'S REPORT REQUIRED
BY OREGON STATE REGULATION**

13-124

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATION**

We have audited the basic financial statements of the governmental activities and the major fund of Gladstone Urban Renewal Agency, a component unit of the City of Gladstone, Oregon, as of and for the year ended June 30, 2013 and have issued our report thereon dated December 27, 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 Gladstone Urban Renewal 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).
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 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 Gladstone Urban Renewal Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in 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

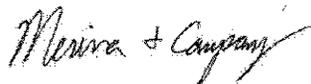
Management of Gladstone Urban Renewal Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Gladstone Urban Renewal Agency's internal control over financial reporting as a basis for designing our 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 Gladstone Urban Renewal Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Gladstone Urban Renewal Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

We have communicated suggestions for improvements of the Gladstone Urban Renewal Agency's processes in a separate letter to management dated December 27, 2013.

This report is intended solely for the information and use of the Board of Directors, 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
December 27, 2013

13-126

APPOINTMENT TO PLANNING COMMISSION

January 8, 2014

Please be advised there are two (2) four year terms on the Planning Commission that expired 12-31-13. The terms that expired were held by Tamara Stempel and Sean McDonnell (vacated in October 2013).

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.

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. Craig was appointed in 2013.

Notice of the Commission vacancy was advertised in the November & December newsletters, on the city's website and in the Clackamas Review. As of this date applications for appointment to the Planning Commission have been received from:

- Gerald (Jerry) Herrmann, 19605 River Rd, #7, has lived in Gladstone for 3 years and is President of not-for-profit youth education and training organization; environmental planner. He was Stop Oregon Litter & Vandalism (SOLV) Volunteer of the Year, is involved in Gladstone Business Alliance, City of Oregon City Natural Resources Commission.
- Kevin Johnson, 6970 Winfield Court, has lived in Gladstone for 47 years and is employed in Property Management (JMP, Inc.) and has served on the Gladstone Education Foundation Board for 3 years and the Gladstone Junior Baseball Board for 2 years.
- Tamara Stempel, 6960 Winfield Court, is applying for re-appointment. Tamara has lived in Gladstone for 23 years and is an Adapt Engineering Director of Green Building Services. Tamara has served on the Planning Commission, Budget Committee, Traffic Safety Commission, Clackamas Economic Development Committee, Clackamas Development Liaison Committee, Clackamas Transportation Advisory Committee. Tamara was originally appointed in 2005, re-appointed in 2006 and 2009.

RECOMMENDATION: Appoint two of the applicants to four year terms that expire 12/31/17.

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: GERALD (JERRY) HERRMANN

ADDRESS: 19605 RIVER RD. #7, GLADSTONE, OR 97027

TELEPHONE: (HOME) 503-260-3432 (WORK) 503-260-3432

EMAIL: Jerry.herrmann@birdlink.net

HOW LONG HAVE YOU LIVED IN GLADSTONE: 3 years

OCCUPATION/EMPLOYER (state your specific line of business): PRESIDENT, not-for-profit youth education and training organization; environmental planner

DESCRIBE YOUR ACTIVITIES

AND INTERESTS: I specifically educate and train at-risk-youth in Environmental Landscape design and installation; I further plan and execute experiential learning tours of the environment and cultural and heritage areas on Oregon rivers via chartered vessels.

I have planned and executed over ten (10) City Wide Cleanup and enhancement annual events for the City of Gladstone and twelve (12)

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS events in Oregon City,
AND ACTIVITIES, INCLUDING CITY APPOINTMENTS:

STOP OREGON LITTER and VANDALISM (SOLV) Volunteer of Year Awardee

Gladstone Business Alliance

City of Oregon City Natural Resources Commission

Have you ever applied for a Committee Position Before? YES NOT IN GLADSTONE
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 believe my 35 years of experience in natural resources and conservation and 30 years in teaching and performing landscape planning and design could be of value to the City of Gladstone and my fellow citizens.

I would further wish to effectively mobilize the youth in this area to appreciate and participate in civic enhancement projects.

SIGNATURE: GERALD W. HERRMANN DATE: 7 JANUARY 2014

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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: Kevin Johnson

ADDRESS: 6970 Winfield Ct

TELEPHONE: (HOME) _____ (WORK) 503 781 7916

EMAIL: johnson.oregon@yahoo.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 47 years

OCCUPATION/EMPLOYER (state your specific line of business): Property management
JMP Inc 11 years

DESCRIBE YOUR ACTIVITIES AND INTERESTS: Work, fishing, hunting, flying
Chain gang for varsity football games 14 years

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Budget com 1 year

Gladstone Education Foundation Board 3 years

Gladstone Junior Baseball Board 2 years

Have you ever applied for a Committee Position Before? YES NO
If yes, when? Sept Nov 2011 What Committee? Planning, Budget
April, Dec 2012

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

SIGNATURE: [Signature] DATE: 12-2-2013





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: TALIARA STEMPER

ADDRESS: 6940 WINFIELD CT. GLADSTONE, OR 97027

TELEPHONE: (HOME) (503) 868-8047 (WORK) (503) 892-2344

EMAIL: TALIARA.STEMPER@ADAPTENGR.COM

HOW LONG HAVE YOU LIVED IN GLADSTONE: 23 YEARS

OCCUPATION/EMPLOYER (state your specific line of business): ADAPT ENGINEERING
DIR. OF GREEN BUILDING SERVICES

DESCRIBE YOUR ACTIVITIES

AND INTERESTS: SUSTAINABILITY, ENVIRONMENTAL CAUSES,

COMMUNITY INVOLVEMENT, PORTLAND AVE REDEVELOPMENT &

THE TROLEY BRIDGE, TRAILS, OUTDOORS, RAIN GARDENS

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS

AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: CURRENT: GLADSTONE
PLANNING COMMISSION, CLACKAMAS ECONOMIC DEVELOPMENT COMM.,
CLACKAMAS DEVELOPMENT LIAISON COMM., CLACK. TRANSPORTATION
ADVISORY COMMITTEE, GLADSTONE BUDGET COMMITTEE
PAST: TRAFFIC SAFETY COMMITTEE

Have you ever applied for a Committee Position Before?

*
YES NO

If yes, when? What Committee? TRAFFIC SAFETY & PLANNING

Why would you like to serve on this Commission, Board or Committee?

(Attach additional materials or information if you wish).

I HAVE A DEEP PASSION FOR COMMUNITY CONNECTION
& LIVABILITY. SERVING ON THE PLANNING COMMISSION
ALLOWS ME TO HELP CREATE THE TOOLS THAT WILL
HELP OUR COMMUNITY THRIVE

SIGNATURE: Taliara Stemper DATE: 11/18/2013



APPOINTMENT TO BUDGET COMMITTEE

January 8, 2014

Please be advised there are currently three (3) terms on the Budget Committee that expired 12-31-2013. The terms that expired 12-31-13 were held by David Kruse, Kevin Johnson and Craig Seghers.

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.

Notice of the committee vacancy was advertised in the November and December newsletters, on the city's website and in the Clackamas Review. As of this date applications to the Budget Committee have been received from:

- Gerald (Jerry) Herrmann, 19605 River Road, #7, has lived in Gladstone for three years and is a Grant Writer and President of education and training organization that targets disadvantaged and at-risk-youth for employment in natural resources field. He has served on the Gladstone Business Alliance, Gladstone Clean up and Enhancement (founder) projects and New Hope Community Church.
- Kevin Johnson, 6970 Winfield Ct., is applying for re-appointment. Kevin has lived in Gladstone for 47 years, is in Property Management (JMP, Inc.) and has served on the Gladstone Education Foundation Board for 3 years and the Gladstone Junior Baseball Board for 2 years. Kevin was originally appointed in December 2012.
- Steve Johnson, 1420 Manor Drive. Steve has lived in Gladstone for 23 years and is President of Western Systems, Inc. Steve would like to have a better understanding of how the City of Gladstone spends the taxpayers' money.
- David Kruse, 17350 Crownview Drive, is applying for re-appointment. David has lived in Gladstone for 16 years, is a retired Engineer and has served on the Traffic Safety Commission, Gladstone School Budget Committee and Glad Dad's Club.

RECOMMENDATION: Appoint three applicants to terms that expire December 31, 2016.

CITY OF GLADSTONE



APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES

XXX 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: GERALD (JERRY) HERRMANN

ADDRESS: 19605 RIVER RD. #7 GLADSTONE, OREGON 97027

TELEPHONE: (HOME) 503-260-3432 (WORK) 503-260-3432

EMAIL: Jerry.herrmann@birdlink.net

HOW LONG HAVE YOU LIVED IN GLADSTONE: 3 years

OCCUPATION/EMPLOYER (state your specific line of business): GRANT WRITER and president of education and training organization that targets disadvantaged and at-risk-youth for employment in natural resources fields. DESCRIBE YOUR ACTIVITIES AND INTERESTS:

I plan and conduct tours and seminars of historic and receveloping areas of Oregon river communities and cities and involve youth in all endeavours. I annually seek, write, and adminster over ten (10) grants to county, state, and Federal sources. PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS:

GLADSTONE BUSINESS ALLIANCE GLADSTONE CLEANUP and ENHANCEMENT (founder)
NEW HOPE COMMUNITY CHURCH

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 believe in fiscal prudence and stewarding of community resources. Gladstone accomplishes a great deal with minimal impact of fiscal effect on its citizens and businesses. I wish to support and advance this type of thinking for this region.

SIGNATURE: GERALD W. HERRMANN DATE: 6 JANUARY 2014



15-2

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: Kevin Johnson

ADDRESS: 6970 Winfield Ct

TELEPHONE: (HOME) _____ (WORK) 503 781 7916

EMAIL: johnson.oregon@yahoo.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 47 years

OCCUPATION/EMPLOYER (state your specific line of business): Property management
JLP Inc 11 years

DESCRIBE YOUR ACTIVITIES AND INTERESTS: Work, fishing, hunting, flying
Chain gang for varsity football games 14 years

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Budget com 1 year

Gladstone Education Foundation Board 3 years

Gladstone Junior Baseball Board 2 years

Have you ever applied for a Committee Position Before? YES NO
If yes, when? Sept, Nov 2011 April, Dec 2012 What Committee? Planning, Budget

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

SIGNATURE: [Signature] DATE: 12-2-2013



15-3

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: Steve Johnson

ADDRESS: 1420 Manor Dr.

TELEPHONE: (HOME) 503-496-7042 (WORK) _____

EMAIL: sjohnson@western.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 23 Years

OCCUPATION/EMPLOYER (state your specific line of business): President / Western Systems, Inc.

DESCRIBE YOUR ACTIVITIES

AND INTERESTS: Travel, Photography, Cooking

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS
AND ACTIVITIES, INCLUDING CITY APPOINTMENTS:

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).

To have a better understanding of how the City of Gladstone spends the taxpayers' money.

SIGNATURE:  DATE: 1-3-14

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: DAVID KRUSE

ADDRESS: 17350 CROWNVIEW DR, GLADSTONE, OR 97027

TELEPHONE: (HOME) 503-656-5922 (WORK) _____

EMAIL: DBKRUSE@COMCAST.NET

HOW LONG HAVE YOU LIVED IN GLADSTONE: 36 YEARS

OCCUPATION/EMPLOYER (state your specific line of business): RETIRED ENGINEER

DESCRIBE YOUR ACTIVITIES

AND INTERESTS: RESERVE STUDY FOR LINCOLN CITY MOTEL
LONG TERM CAPITAL INFRASTRUCTURE PLANNING.

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS
AND ACTIVITIES, INCLUDING CITY APPOINTMENTS:

BUDGET COMMITTEE
350-500 HOURS VOLUNTEER WORK AT MARY YOUNG PARK EACH YEAR.
VOLUNTEER TUTORING FOR COLLEGE STUDENTS IN MATH & ENGR.

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

If yes, when? ABOUT LAST 20 YEARS What Committee? BUDGET

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

MY EXPERIENCE COULD HELP AS GLADSTONE GETS
MASTER PLANS FOR INFRASTRUCTURES & NEEDS AN INTEGRATED PLAN

SIGNATURE: David H. Kruse DATE: 12/10/2013

APPOINTMENTS TO SENIOR CENTER ADVISORY BOARD

January 8, 2014

Please be advised one (1) three-year term on the Senior Center Advisory Board is vacant, term to expire 12-31-2014 and two (2) three-year terms that expired 12-31-2013. The terms that expired on 12-31-2013 were held by Diane Berreth and Walt Fitch.

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.

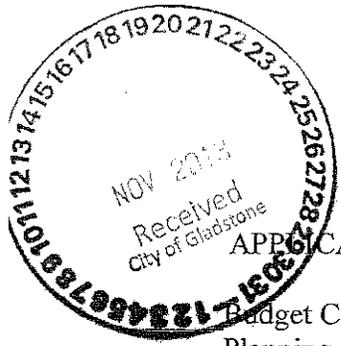
Duties of the Senior Center Advisory Board include:

- ◆ 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.

Notice of Board vacancies was advertised in the November and December newsletters, on the city's website and in the Clackamas Review. Applications to the Senior Center Advisory Board have been received from the following:

- Diane Berreth, 925 Cornell Ave, is applying for re-appointment. Diane has lived in Gladstone for 45 years and is retired. Diane was originally appointed in 2010.
- Katherine "Katie" Ellerby, 18322 Portland Ave, has lived in Gladstone for 36 years and is retired. Katie volunteers at the West Linn Lutheran Church, previously volunteered at St. Stephen Luther Church, Providence Willamette Falls Hospital, Campfire USA and John Wetten Elementary.
- Noreda C.B. May, 960 Cornell Ave, has lived in Gladstone for 50 years and is retired from the Gladstone Post Office. She currently volunteers for the Meals on Wheels program at the Senior Center.

RECOMMENDATION: Appoint one applicant to a term that expires 12-31-2014 and the other two applicants to terms that expire 12-31-2016.



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: Diane Berreth

ADDRESS: 925 Cornell Gladstone, OR 97027

TELEPHONE: (HOME) 503 656 5761 (WORK) N/A

EMAIL: berrethcd@gmail.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 45 years

OCCUPATION/EMPLOYER (state your specific line of business): Retired

DESCRIBE YOUR ACTIVITIES

AND INTERESTS: Keeping up WITH grandkids act, utrips
working on special concerns Comm at St Stephen
Lutheran, on board for St Stephen Pre School and
GOLF

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS:

Serving on Senior Center Advisory Board

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

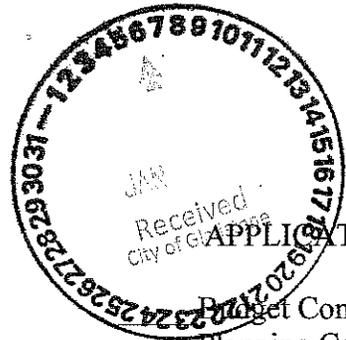
If yes, when? 2 years ago What Committee? SR CTR Advisory Board

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

Have served for 2 yrs and have enjoyed
working on this board,

SIGNATURE: Diane Berreth DATE: 11-15-2013

16-2



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: Katherine "Katie" Ellerby

ADDRESS: 18322 Portland Ave, Gladstone, OR 97027

TELEPHONE: (HOME) 503-655-0042 (WORK) retired

EMAIL: KKellerby@hotmail.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 36 years

OCCUPATION/EMPLOYER ^{Bachelors Degree, Recreation Administration} (state your specific line of business): Social Service Settings formerly at St. Stephen Lutheran Church, Willamette View Manor, Roseville, Clackamas County, Campfire USA, North Clackamas School District, Brainerd State Hospital (Minn.) St. Paul Lutheran Church, Portland, Care Centers

DESCRIBE YOUR ACTIVITIES AND INTERESTS: _____

Family; friends; gardening; local, regional and national news; computers; cooking; Senior center; walking

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Volunteer currently West Linn Lutheran Church; previously volunteer St. Stephen Lutheran Church Gladstone, Providence Willamette Falls Hospital; Campfire USA, John Wether Elementary School

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

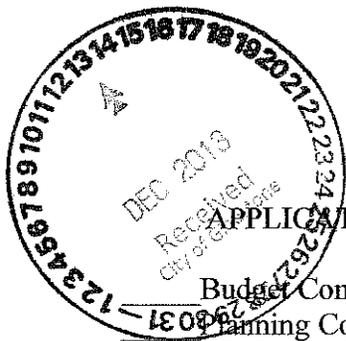
If yes, when? _____ What Committee? _____

Why would you like to serve on this Commission, Board or Committee? (Attach additional materials or information if you wish).
Learn more about how center functions; promote Senior center

programs including use of volunteers, cultural, recreational, educational, social and health resources; foster friendliness and welcome for newcomers and potentially interested seniors in our community; support the senior center staff and Gladstone Seniors Foundation.

SIGNATURE: Katherine Ellerby DATE: 1-6-2014

16-3



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: Noreda C. B. May

ADDRESS: 960 Cornell Ave Gladstone Or 97027

TELEPHONE: (HOME) 503-656-0414 ^{Cell#} (WORK) 971-235-2711

EMAIL: _____

HOW LONG HAVE YOU LIVED IN GLADSTONE: 50 yrs

OCCUPATION/EMPLOYER (state your specific line of business): Retired From Gladstone Post Office

DESCRIBE YOUR ACTIVITIES AND INTERESTS: Helping at Senior center - enjoy socializing
Bingo occasionally, Senior Trips, watching Football

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Volunteer
Deliver Meals on Wheels
at Gladstone Senior Center For 3 yrs

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'm interested in what goes on in my community
and helping & improving our senior center

SIGNATURE: Noreda C. B. May DATE: 12/12/13

GLADSTONE CODE REVIEW
Suggested Review Procedure
Adopted by the Planning Commission
At the December 17, 2013 Work Session

INTENT

As Planning Commission, our intent is to review the current Gladstone Municipal Code in the order outlined below. We will add a work session to each scheduled Planning Commission meeting to address this review. If a meeting is not planned due to lack of agenda items, we will instead have a work session to continue the process.

For all Titles other than 17, we will provide notice to the City Council of our recommendations at the time that particular review is complete.

For all Title 17 recommendations, due to the required noticing procedures, we will provide quarterly updates to the City Council of our progress, and then present the complete Title 17 review at one time to be considered. Our hope is that this will save time and a considerable amount of money.

As the review progresses, if there is documentation a Planning Commission member would like to introduce as informational or examples, we will submit this information to Tami Bannick at least one week prior to our meeting in order for it to be included in the formal packet.

I Code Analysis Ordinance Review January 2012

- After review, this is mostly housekeeping and we should recommend our codes be updated per the suggestions listed in this document.

II Review Completed Approximately a Year Ago

-The city hired a firm approximately a year ago to review our codes to see if there were any issues stopping development. We should look at their suggestions to see what barriers there are for encouraging development in our commercial zones.

III Title 2 Administration & Personnel

Specifically Chapter 2.28 Planning Commission

IV Title 17 Zoning & Development

Division 4 Section 17.54 Clear Vision Codes

-Since this was a specific area directed from the City Council for improvement, we should start with Division 4 Section 17.54.

V Title 8 Health & Safety

Section 8.04 Nuisances

-This topic took up most of the work session, so I feel we should start by looking at this section for clarification and application.

Section 8.12 Noise Control

- VI Title 8 Health & Safety**
Section 8.06 Chronic Nuisances
 -As with Section 8.04, this was the main topic of the work session, so we should address this section for clarification and application.
- VII Title 17 Zoning & Development**
Division 2 Zoning Districts - Commercial
 -To continue looking at encouraging development, we should start with the commercial zoning districts C1, C2, C3 + OP and L1. Clackamas County is combining some of their commercial and industrial districts to make it easier to navigate. Is this something we should consider since our commercial zones are so small?
- VIII Title 17 Zoning & Development**
Division 2 Zoning Districts – Residential
 -Review of residential zones R7.2, R5 and MR. What do we want these zones to look like considering what we will most likely see in the future is redevelopment and in-fill. How can we integrate sustainability into these zones? How about storm water management strategies? Heritage Trees? Seattle’s Green Factor concept?
- IX Title 17 Zoning & Development**
Division 2 Zoning Districts – Other
 -HCAD/Habitat Conservation Area, OS/Open Space, WQ/Water Quality Resource Area, FM/Flood Management. Are these up to current state/federal requirements? How can we ensure these areas are protected yet maximized?
- X Title 17 Zoning & Development**
Division 4
17.42 General Provisions
17.44 Building Siting and Design
17.46 Landscaping
- XI Title 17 Zoning & Development**
Division 4
17.48 Off-Street Parking and Loading
 -What have other cities done to allow for an active commercial zone while minimizing parking...encourage pedestrian/bicycles? Our downtown core cannot allow for new development because of our parking requirements.
17.50 Vehicular and Pedestrian Circulation
- XII Title 17 Zoning & Development**
Division 4
17.52 Signs
17.53 Billboards

- XIII Title 17 Zoning & Development
 - Division 4
 - 17.56 Drainage
 - Progressive storm water management strategies
 - 17.58 Grading and Fill

- XIV Title 17 Zoning & Development
 - Division 4
 - 17.60 Utilities
 - 17.61 Wireless Telecommunication Facility

- XV Title 17 Zoning & Development
 - Division 4
 - 17.62 Special Uses
 - 17.64 Design Standards and Property Line Adjustments

- XVI Title 9 Public Peace, Morals & Welfare
 - Title 10 Vehicles & Traffic
 - Title 12 Streets, Sidewalks & Public Places
 - Recommend we engage the police department on where this section could be changed to support their enforcement needs.

City of GLADSTONE

Date: January 9, 2014

To: Mayor Byers and City Council

From: Pete Boyce, City Administrator *PB*

Re: Craig Seghers Complaint

Staff recommends that City Council determine if it would like to hold a hearing regarding the attached complaint from Planning Commissioner Craig Seghers. All parties involved have agreed to attempt to resolve the issue through mediation which as of today is ongoing. If mediation is unsuccessful or does not result in Commissioner Seghers retracting his complaint City Council would have the option of holding a hearing on the matter or dismissing the complaint. If City Council decides to hold a hearing staff would like to discuss what procedure would be used to process the complaint. You have been provided with copies of video from two planning commission meetings which may provide you with insight into the planning commission members interactions.

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

Dec. 3, 2013

Peter Boyce
Gladstone City Administrator

This letter serves as a formal complaint and a request for a disciplinary hearing regarding the inappropriate behavior directed toward me during recent Planning Commission meetings by several members of the commission, as specified below.

Tami Stempel, Chairperson

- Multiple interruptions,
- Disrespectful attitude and statements regarding my qualifications as a commission member.
- Preferential treatment of other commission members.
- Failure to maintain order.

Kirk Stempel

- Rude and threatening behavior.

Kim Sieckmann, Vice-chairman

- Rude and threatening behavior
- Failure to maintain order in his roll as temporary chairman.

Additionally, since Tami and Kirk Stempel are Councilor Nelson's daughter and son-in-law, I feel I must challenge his ability to remain impartial and ask that he excuse himself from these proceedings.

Respectfully



Craig Seghers
Gladstone Planning Commissioner

Peter Boyce

From: Tammy Stempel <Tammy.Stempel@adaptengr.com>
Sent: Wednesday, December 18, 2013 8:00 AM
To: Peter Boyce
Cc: Kim Sieckmann; Kirk Stempel (rsqdiver103@comcast.net); Craig Seghers
Subject: Mediation

As mentioned in my email dated December 10, 2013, I do not feel that any of Mr. Seghers complaints are valid and consider his actions harassment. However, I am still willing to participate if necessary. I require Mr. Seghers to produce the specific instances supporting his complaints against me at least 7 business days prior to the mediation and/or hearing so I may defend myself. I also ask that the mediator view the meetings in question in their entirety, not selective sound bites that are out of context. If Mr. Seghers is unable or unwilling to produce this evidence, in its true context, then I request Commissioner Seghers dismiss all allegations against me. I would also like copies of the procedure, rules and regulations relating to this process at least 7 days prior to the meeting.

TAMMY Stempel

Adapt Engineering – **SUSTAINABILITY** Team
10725 SW Barbur Blvd. Suite 200
Portland, OR 97219
V 503.892.2346
F 503.892.2348

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Peter Boyce

From: Tammy Stempel <Tammy.Stempel@adaptengr.com>
Sent: Tuesday, December 10, 2013 8:20 AM
To: Peter Boyce
Subject: Mr. Seghers Complaints

Pete –

In regards to the complaint filed by Mr. Seghers, I am willing to participate in any resolution process you feel is necessary and in the best interests of the city. In response to his claims against me, I would ask that the city staff and council review the video/audio recordings of the Planning Commission meetings in question, in particular the last two scheduled meetings. I do not feel that any of his complaints are valid and consider his actions harassment. I would like to point out that his verbal attacks have continued for quite some time both on and off property, and though I had chosen not to file complaints against Mr. Seghers, in review of his formal complaint and the recordings from the last two meetings, I now consider his attacks personal, threatening, slanderous and defamatory and may have no recourse but to take legal action.

TAMMY Stempel

Adapt Engineering – **SUSTAINABILITY** Team
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Peter Boyce

From: Kirk Stempel
Sent: Tuesday, December 10, 2013 11:26 AM
To: Peter Boyce
Subject: RE: Planning Commission

Pete,
Here is my response in regards to your email and Craig's complaint.
Any resolution that you feel is in the best interest, I am open too, and I am willing to participate. As far as Craig's complaint, I feel his allegations are an attack on me personally and professionally. His comments I feel are slanderous towards me, and my position with the City of Gladstone.
Kirk

***Lt. Kirk Stempel
Public Information Officer
Dive Team Training Coordinator
Gladstone Fire Department***

***pgr. 503-778-3268
cell 503-710-1444***

Confidentiality Warning: This e-mail contains information intended only for the use of the individual or entity named above. If the reader of this e-mail is not the intended recipient or the employee or agent responsible for delivering it to the intended recipient, any dissemination, publication or copying of this e-mail is strictly prohibited. The sender does not accept any responsibility for any loss, disruption or damage to your data or computer system that may occur while using data contained in, or transmitted with, this e-mail. If you have received this e-mail in error, please immediately notify me by return e-mail. Thank you.-

From: Peter Boyce
Sent: Monday, December 09, 2013 10:38 AM
To: Tammy Stempel (Tammy.Stempel@adaptengr.com); Kirk Stempel; Kim Sieckmann
Subject: Re: Planning Commission

Tammy, Kirk and Kim,

There will not be a discussion at the city council meeting tomorrow night regarding Craig's complaint. I will be contacting you later this week with a plan.

Pete

Sent from my iPhone

On Dec 5, 2013, at 1:37 PM, "Peter Boyce" <boyce@ci.gladstone.or.us> wrote:

Hi Tammy, Kirk and Kim,

I received a complaint from Craig Seghers regarding the last Planning Commission meeting (see attached). I would like to try to resolve this outside of a city council meeting. My idea is to request a

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mediator from Clackamas County to see if this can be worked out. Would you be willing to participate? I'm not yet sure if Craig will participate. If the mediation cannot resolve the problem the complaint would need to go to City Council at the January meeting. Please let me know your thoughts.

Thanks,

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
Web: www.ci.gladstone.or.us

<20131205133714414.pdf>

Peter Boyce

From: Kim and Linda Sieckmann <kisieckmann@comcast.net>
Sent: Tuesday, December 17, 2013 3:46 PM
To: Peter Boyce; Tammy Stempel (Tammy.Stempel@adaptengr.com); Craig Seghers; Kirk Stempel
Subject: Re: Seghers Complaint

Pete,

As of now I am open both days. Please let me know as soon as possible so I can get it on the calendar.

On December 5th I emailed you my response to Commissioner Seghers formal complaint. In that response I requested,

"In response to Commissioner Seghers claims against me. I deny any and all allegations. I request Commissioner Seghers produce specific instances and proof of " Rude and threatening behavior", as well as "Failure to maintain order in his role as temporary chairman".

I have not received any documents to substantiate his claims for me to defend.

I request Commissioner Seghers produce evidence to substantiate his claims against me at least 7 business days prior to the mediation and or hearing, so I may properly defend myself. If Commissioner Seghers is unable or unwilling to produce the evidence, I request Commissioner Seghers dismiss all allegations against me.

Please send me the procedure and any rules/regulations for the mediation and or hearing, at least 7 business days prior to the mediation.

Please acknowledge if my requests will be met, and if not why.

Kim Sieckmann

On 12/17/2013 10:08 AM, Peter Boyce wrote:

I have been in contact with the County's mediation service. The soonest they would be able to conduct a mediation on January 2nd or 3rd. Would either of these dates work for you? I would rather not go into the following week because of the timing of the City Council meeting. If the mediation is not succesful I want to bring the issue before City Council on January 14th. Let me know your thoughts.

Thanks,

Pete

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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
Web: www.ci.gladstone.or.us

Peter Boyce

From: Kim and Linda Sieckmann <klsieckmann@comcast.net>
Sent: Thursday, December 05, 2013 3:40 PM
To: Peter Boyce
Subject: Re: Planning Commission

Pete,

My formal response to your email and attached document from Commissioner Seghers is as follows.

I am open to any resolution you feel is in the best interest of the city. If you feel mediation is the best course of action I am willing to participate. If you choose to follow through with a disciplinary hearing I will participate.

In response to Commissioner Seghers claims against me. I deny any and all allegations. I request Commissioner Seghers produce specific instances and proof of "Rude and threatening behavior", as well as "Failure to maintain order in his role as temporary chairman"

Considering Commissioner Seghers formal complaint is an attack on my professionalism and credibility, I consider this action as possible slander and defamation of character.

Kim Sieckmann

On 12/5/2013 1:37 PM, Peter Boyce wrote:

Hi Tammy, Kirk and Kim,

I received a complaint from Craig Seghers regarding the last Planning Commission meeting (see attached). I would like to try to resolve this outside of a city council meeting. My idea is to request a mediator from Clackamas County to see if this can be worked out. Would you be willing to participate? I'm not yet sure if Craig will participate. If the mediation cannot resolve the problem the complaint would need to go to City Council at the January meeting. Please let me know your thoughts.

Thanks,

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
Web: www.ci.gladstone.or.us

18-9



Beery Elsner
& Hammond LLP

MEMORANDUM

TO: Pete Boyce, Gladstone City Administrator

FROM: David F. Doughman, City Attorney's Office *DFD*

SUBJECT: Public Meeting Issues Related to Mediation

DATE: December 27, 2013

Background

Recently, a planning commissioner filed a complaint against other members of the planning commission, accusing them of various forms of inappropriate behavior and requesting a disciplinary hearing before the city council. A copy of the complaint is attached to this memo.

As I mentioned in another recent memorandum on a related topic, I do not believe the city council must entertain the commissioner's request for a hearing. It certainly may if it chooses to do so, but as a legal matter I think it is appropriate to clarify that neither a planning commissioner nor a member of the public has the right to initiate a hearing against another planning commissioner. I believe the city council reserves that right exclusively under state law and the city's municipal code.

However, we do want to address the complaint. You and I discussed an approach to try and resolve the issues raised in the complaint short of bringing them directly to the city council, at least at this time. We discussed the potential value of bringing in a mediator to work with the complaining party and the accused parties. You contacted the county's mediation service and it has stated it is willing and able to provide such mediation services. The county noted that its mediation service recently worked with members of the Clackamas County Board of Commissioners under similar circumstances.

Discussion

The purpose of this memorandum is to set some "ground rules" for the mediation relative to Oregon's Public Meetings Law ("PML").¹ Because four members of the seven member planning commission are planning to attend the mediation, we must be mindful of the limitations

¹ The ground rules I am referring to only relate to ensuring the mediation is not deemed a meeting for the purposes of the PML. As this memo explains, this means that certain topics may not be discussed during the mediation. Otherwise, I fully expect the mediator to have his/her own rules for conducting the mediation.

December 27, 2013

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that need to be observed during the mediation in order for it to not constitute a "meeting" as that term is defined in the PML.

Oregon law defines a meeting for the purposes of the PML as "the convening of a governing body² of a public body for which a quorum is required in order to make a decision or to deliberate on any matter." ORS 192.610(5). If a "meeting" for the purposes of the PML takes place, the PML requires the city to notify the public of the meeting, to record the substance of what is discussed at the meeting and to ensure that members of the public can attend the meeting.

Ultimately, we do not believe a quorum of the planning commission is required in order for the affected commissioners to attempt to mediate the issues raised in the complaint. For example, a quorum would certainly be required for the planning commission to "make a decision" on a conditional use permit, or to "deliberate" about the pros and cons of possible changes to the city's development code.

Conversely, the issues the affected commissioners will be discussing and attempting to resolve are personal in nature and are not uniquely related to or inextricably linked with their planning commission membership or duties, such as ruling on a land use application or analyzing new code language. We believe this opinion is supported by language in the PML, which states that "[t]raining sessions may be held outside the jurisdiction as long as no deliberations toward a decision are involved." ORS 192.630(4). We also note that the Oregon Attorney General has stated as follows:

Whether a governing body's training sessions are subject to the Public Meetings Law will depend on whether any substantive issues are discussed. For example, a governing body may have a training on *improving personal interaction* among its members. *If that training is carefully structured to avoid any discussion of official business, and no such discussion occurs, the training would not be subject to the meetings law.* Attorney General's Public Records and Meetings Manual (January 2011) at 124 (emphasis added).

Conclusion

If the mediation strictly sticks to discussing and resolving the communication and personality conflicts raised in the complaint, then this office does not believe the mediation session will constitute a "meeting" under ORS 192.610(5).

Obviously, the purpose of the mediation – i.e. encouraging a frank and honest dialogue in a confidential setting in order to try and find a resolution to the dispute - would be frustrated if it

² The planning commission is defined as a "governing body" pursuant to ORS 192.610(3).

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December 27, 2013

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were open to the public. Therefore, we believe the mediation may remain closed to the public so long as no "substantive issues" are discussed during the mediation. This means the mediator and the participants may not discuss matters that are uniquely within the planning commission's authority. The mediation must focus on the issues outlined in the complaint; namely, the allegations concerning interruptions, rude and threatening behavior and the failure to maintain order. While we do not believe a mere reference to some aspect of a prior official act of the commission would turn the mediation into a public meeting (e.g. "remember when X interrupted Y during the commission's deliberations on ABC land use application") the participants must refrain from any substantive discussion of the commission's business (e.g. "I believe the commission wrongly decided to approve ABC land use application").

Please pass this memo on to the mediator and ask him/her to confirm in advance of the mediation that these ground rules do not present a problem. In addition, please pass this memo on to the four individuals who will participate in the mediation.

As always, let me know if you have any questions or would like to discuss these issues in greater detail.

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ORDINANCE NO. 1442

**AN ORDINANCE ADDING A NEW CHAPTER 12.22 REGARDING SPECIAL EVENTS
TO THE GLADSTONE MUNICIPAL CODE**

WHEREAS, the City recognizes that special events such as festivals, parades, fun runs, and other similar events enhance the quality of life for residents and visitors to the City; and

WHEREAS, special events provide economic benefits to the City and promote tourism and community togetherness; and

WHEREAS, the City desires to establish a procedure for permitting the use of public property and right of way for special events conducted by entities other than the City; and

WHEREAS, these procedures will provide advance notice to the City and its residents of such special events and will also ensure proper traffic control, security, sanitation, insurance and indemnification; and

WHEREAS, the City Council desires to update the Code to reflect these new procedures and permit requirements for special events held on public property.

NOW, THEREFORE, the Common Council of the City of Gladstone ordains as follows:

Section 1. Chapter 12.22 is added to the Gladstone Municipal Code as set forth in the attached Exhibit A to this ordinance which is incorporated by reference herein.

Section 2. This ordinance shall be effective 30 days from its passage

Adopted by the Common Council for the City of Gladstone this ___ day of January, 2014.

ATTEST:

Wade Byers, Mayor

Jolene Morishita, Assistant City Administrator

ORDINANCE 1442
Exhibit "A"

Chapter 12.22 Use of City Property and Public Right of Way for Special Events

12.22.010 Definitions.

- (1) "Applicant" means a person who files a written application for a special events permit.
- (2) "City Administrator" means the City Administrator of the City of Gladstone or designee.
- (3) "Special Event" means any temporary or ongoing activity that occurs on public property that affects the ordinary use of public streets, rights-of-way, sidewalks, traffic and other public places that is reasonably expected to cause or result in more than fifty (50) people gathering in a public place; is reasonably expected to have an uncommon impact on such public place; and/or is reasonably expected to require the provision of public services.
- (4) "Special Event Permit" means written approval from the City Administrator to hold a special event.

12.22.020 Special Event Permit required.

- (1) A person desiring to hold a special event shall apply for a Special Event Permit by filing a written application with the City Administrator upon a form available from the City for such purpose. It is unlawful for a person to hold or conduct a special event in the City for any purpose unless such person has obtained and has in full force and effect a permit to do so, issued by the City.
- (2) The deadline for submittal of a Special Event Permit is no less than thirty (30) calendar days prior to the proposed day of the special event. A special event application submitted less than thirty (30) calendar days may be denied as untimely.
- (3) There shall be a permit fee set by City Council Resolution.

12.22.030 Permit Application.

In addition to the application requirements, the following requirements apply and control:

- (1) City code requirements, including but not limited to noise and nuisance laws remain applicable at all times.
- (2) An access lane with a width of at least twelve (12) feet must be available for emergency vehicle access to any closed portions of streets. Access may be restricted only by the use of A-frame barricades.

- (3) All affected public property and public rights of way including the roadway must be cleaned and left free of litter and debris immediately after the break-down times as set forth in the special event application.
- (4) The applicant will be required to notify affected and adjoining residents in the area which will be impacted by the special event.

12.22.040 Issuance of Permit.

- (1) The City Administrator need not act on an application for a Special Event Permit prior to one hundred eighty (180) calendar days before the special event.
- (2) The City Administrator is not required to take final action on an incomplete or untimely Special Event Permit application.
- (3) The City Administrator is not required to process more than one application for a special event per organizer/applicant during any six month period.
- (4) The issuance of a Special Event Permit does not relieve any person involved in the special event from meeting any requirements or obligations imposed by other local, state or federal laws.

12.22.050 Special Event Insurance, Indemnification and Liability.

- (1) The applicant will also be responsible for providing required certificates of insurance and endorsements for general liability insurance naming the city, its elected officials, officers and employees as additional insureds and providing coverage in an amount necessary to cover any and all damage that may occur and to restore city property to its pre-event condition.
- (2) Applicant shall agree to defend and hold harmless the city, its elected officials, officers and employees from any and all claims or lawsuits for personal injury or property damage arising from or in any way connected to the event.
- (3) This chapter shall not be construed as imposing upon the city, its elected officials, officers or employees any liability or responsibility for any injury or damage to any person in any way connected to the use for which a permit has been issued. The city and its elected officials, officers and employees shall not be deemed to have assumed any liability or responsibility by reasons of inspections performed, the issuance of any permit, or the approval of any use of right of way.

12.22.060 Criteria for Issuance of Permit

(1) All permits issued under this chapter shall be issued by the City Administrator or designee. A permit may be denied by the City Administrator taking into account any of the following:

(a) The proposed special event must not intrude into or over any portion of a public right of way open to vehicle or pedestrian travel in such a manner as to create a likelihood of endangering vehicles or pedestrians;

(b) In the case of special events such as fun runs, marathons, etc., or in the case of any street use which requires the closure of any public street or walkway, the proposed event must not require closure for a period longer than that established by the City Administrator;

(c) The proposed event must not unreasonably compound impacts of other activities such as events or construction on the date(s) requested;

(d) The proposed event location must not have been unreasonably impacted by the number of events in a one-year period;

(e) City personnel and resources must be available to assist with the special event as deemed necessary by the City Administrator;

(f) The proposed special event must not violate public health or safety regulations;

(g) The applicant must not have failed to comply with conditions of previously issued special event permits;

(h) The applicant must not have failed to submit all the necessary information as required for the special event application; or

(i) Such other conditions as the City Administrator deems necessary to reasonably ensure that the proposed special event does not in any way create a likelihood of endangering those who may participate or be spectators.

12.22.070 Permit Exemptions.

(1) The following activities that otherwise comply with city, state and federal laws are exempt from having to obtain a special event permit:

(a) Special Events that are sponsored or conducted by the City of Gladstone;

(b) Funeral procession by a licensed mortuary;

(c) Garage, estate or yard sales, lemonade stands and car washes; and

(d) Block parties, which must be applied for through a separate city process;

(e) Senior Center space rental which must be applied for through a separate city process.

ORDINANCE NO. 1443

AN ORDINANCE ADOPTING A NEW CHAPTER 5.60 OF THE GLADSTONE MUNICIPAL CODE REGARDING PERMIT REQUIREMENTS FOR SECURITY ALARM SYSTEMS.

WHEREAS, it is a matter of public safety that security alarm systems in homes and businesses work properly and do not unnecessarily utilize public resources for false alarms;

WHEREAS, security alarm systems that contain automatic dialing devices that are programmed to dial public safety personnel require City public safety resources to respond to those activated alarms;

WHEREAS, the City desires to offset alarm response costs by requiring an alarm permit and establishing fines for repeated false alarms.

NOW, THEREFORE, the Common Council of the City of Gladstone ordains as follows:

Section 1. A new Chapter 5.60 (“Security Alarm Systems”) is adopted.

Section 2. The text of the new Chapter 5.60 is attached as Exhibit A to this ordinance and is incorporated by reference.

Section 3. This Ordinance is effective 30 days after adoption.

Adopted by the Common Council for the City of Gladstone this ____ day of January, 2014.

ATTEST:

Wade Byers, Mayor

Jolene Morishita, Assistant City Administrator

ORDINANCE 1443
Exhibit "A"

5.60.010 Purpose and Scope.

A) The purpose of this chapter is to provide minimum standards and regulations applicable to alarm systems including those systems utilizing automatic dialing devices, and to encourage alarm users, as well as alarm businesses, to assume increased responsibility for maintaining the mechanical reliability and the proper use of alarm systems to prevent unnecessary emergency response to false alarms and thereby to protect the emergency response capability of the City.

B) This chapter governs burglary, robbery and panic alarm systems, requires City permits, provides for penalty assessments for excessive false alarms, provides for penalty assessments for delinquent accounts, provides for discontinuation of police response to alarms and revocation of alarm permits, provides for punishment of violators, and establishes a system of administration.

5.60.020 Definitions.

For the purposes of this chapter:

- A. "Alarm Coordinator" means the individual designated by the Chief of Police to issue permits and enforce the provisions of this chapter.
- B. "Alarm permit" refers to the official document that is issued by the Gladstone Police Department to users of alarm systems within the City limits.
- C. "Alarm system" means any assembly of equipment, mechanical or electrical, including a system interconnected with radio frequency signals, designed to signal the occurrence of an illegal entry, emergency, or other activity, by emitting or transmitting a remote or local audible, visual or electronic signal, requesting emergency services personnel response. An alarm system does not include an alarm installed on a motor vehicle or an alarm that is carried as a personal protection device on an individual's body.
- D. "Alarm user" means the person, firm, partnership, association, corporation, company or organization of any kind which owns, controls or occupies any building, structure or facility wherein an alarm system is maintained.
- E. "Burglar Alarm System" means an alarm system signaling an entry or attempted entry into an area protected by the system.
- F. "False alarm" means an alarm signal that elicits a response by emergency services personnel when a situation requiring such a response does not in fact exist, but does not include an alarm signal caused by violent conditions of nature or other extraordinary means not reasonably subject to control by the alarm business, operator, or alarm user.
- G. "Robbery alarm system" means an alarm system transmitting a silent robbery signal from a business location or a panic/duress signal from a residential location.

5.60.030 Permits required; fees; exemptions.

A. Every alarm user, including those connected through an alarm center, must obtain a City of Gladstone Alarm Permit from the Alarm Coordinator for each alarm system prior to use of an alarm system. Applications for an alarm permit must be filed with the Alarm Coordinator and must be accompanied by the required fee, which shall be set by the City Council by resolution. Each permit shall be valid for one (1) year from the date of issue.

B. A late penalty shall be assessed in addition to the Alarm Permit fee to an alarm user who fails to obtain an alarm permit within thirty days of when the system becomes operative, or to a user who fails to renew a permit within thirty days after the permit expires.

C. Alarm permits will be issued for a specified location and may not be transferred to another person or location.

5.60.040 False alarms.

For each false alarm over one (1) in a permit year, the permit holder must pay a fee as established by City Council.

5.60.050 Permit revocation.

A. Any alarm system which has seven or more false alarms during any permit year shall be subject to permit revocation.

B. Before revoking any permit, the Police Chief will give ten (10) days' written notice to allow the permit holder an opportunity to correct the system and submit proof thereof.

5.60.060 Violation penalties.

A. Fines will be assessed by the Alarm Coordinator for excessive false alarms as follows:

Number of false alarms within permit year:	Fine per violation, not to exceed:
2	\$50.00
3	\$100.00
4 or more	\$150.00

B. Violation of any other provision of this Chapter shall be punishable by a fine of not more than \$500.

20-3

City of GLADSTONE

Date: January 9, 2014

To: Mayor Byers and City Council

From: Pete Boyce, City Administrator *PB*

Re: Library

City Council had previously authorized staff to outline parameters for construction of a new library facility following receipt of a letter from Clackamas County that provided a window of opportunity for the City to recoup the County's capital contribution of \$1.5 million for construction of a new library. This outline was to be used as a starting point for discussion with a citizen advisory committee that would vet and offer suggested changes.

The outline includes:

- Design and construction of a library facility not to exceed 13,000 square feet. Group Mackenzie had been retained by the City and has made estimates as to the cost of construction (see attached). The high estimates for a 13,000 square foot library would be in the range of \$5.7 million to \$6.7 million depending on the location. This estimate does not include the cost of acquiring land if necessary.
- Staff would like to discuss the location of the facility with the citizen advisory committee. The Webster Road property is still under City ownership and could be used as a library location. Other thoughts included relocating public works off of Portland Avenue and using the two acres to site the library. An area to relocate public works has not yet been identified.
- Possible sources of funding for a new facility could include:
 - Clackamas County - \$1.5 million contingent on the facility also serving the Oak Lodge service area.
 - Library District Revenues - If debt is incurred and the facility is serving the Oak Lodge service area the City would receive approximately an additional \$680,000. A portion of this amount could be used to pay debt service. An operating budget for a new facility is currently under development to determine the final amount that could be used for this purpose.
 - Sale of Asset - If the library is located on a site other than the Webster Road property the sale of the land could go toward the construction of the new facility and the relocation of public works if necessary and/or possible. The City has appraised the property and the estimated worth is \$2,570,000.

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

21-1

- Urban Renewal – Upon closure of the Library Capital Fund the Urban Renewal Fund will have approximately \$3 million in cash available. If debt is incurred to help fund the project future urban renewal revenues could be used for repayment. Currently the Urban Renewal Fund generates more than \$800,000 per year. There will need to be debate regarding competing projects for the funds.
- General Fund – Not to exceed the current General Fund contribution for library operation. This amount is approximately \$190,000 annually. Operation of the new facility would necessitate that all operational expenses be covered by Library District Revenue and not augmented by the City's General Fund.
- Bond measure. If this funding is used it would increase taxes to pay off the bond.

With the County giving Gladstone until June 2014 to have a final plan in place I would request City Council authorize a citizen advisory committee at this time. Membership recommendations for the citizen advisory committee should at minimum include a city council member, library board member, library foundation member, save Gladstone member and at least two Oak Lodge service area residents. It is suggested that the committee's task include vetting the outlined parameters of a new library facility and make a recommendation back to City Council by its regular meeting in May of 2014. This timeline makes the assumption that Clackamas County will allow the City to obtain voter approval of the project in November of 2014.

GROUP MACKENZIE

June 24, 2013

City of Gladstone
Attention: Peter Boyce, City Administrator
525 Portland Avenue
Gladstone, OR 97027

Re: **Gladstone Library**
Preliminary Cost Analysis
Project Number 2120509.01

Dear Mr. Boyce:

On your request, we have prepared the following high level cost projections for two possible scenarios for construction of a new 9,000 or 13,000 square foot library. Note that these scenarios are preliminary in scope and reflect Group Mackenzie's professional experience with comparable facilities. 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 1-A/B and 2-A/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. Reflected construction costs additionally include a 5% owner's construction contingency.
- Construction duration is anticipated to take 8 to 10 months, plus an additional 1 to 2 months for demolition of the existing building and relocation to temporary facilities.
- Construction type for each option is anticipated to consist of a masonry or stone veneer skin, structural steel framing, high performance glazing and roofing systems, and high efficiency mechanical, plumbing, and electrical systems.
- If co-development of a new City Hall and Police Facility were developed at the Webster Site, it is envisioned that economy of development could result in cost reductions due to shared amenities, parking, etc.

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.

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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 Library
Project Number 2120509.01
June 24, 2013
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- A/E fees are assumed at 10-12% of construction costs and include reimbursables at 10% of the design fees.
- Environmental services, hazardous material surveys, commissioning, and arborists services are excluded.

Owner Cost:

- Scope includes fixtures, furniture and equipment, library shelving, 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.
- 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
- 5% | 5% owner's construction contingency
- 2 % | 4% of construction cost for the owner's project manager
- 4 % | 6% contractor general conditions
- 1 % | 2% construction escalation

Option 1-A/B: Existing Library Site

Option 1 revolves around the evaluation of the existing 5,100 square foot, split level Gladstone Library located on a 0.21 acre site at 135 East Dartmouth Street. Built in 1961, the building has undergone a number of renovations and expansions in 1972, 1977, and 1981. The site itself is limited to the building footprint and seven surface parking stalls (including one accessible stall) currently located within a shared parking lot. Staff and the public are required to primarily utilize street parking to meet parking capacity needs.

As requested, we are evaluating the site for two scenarios, Option 1A - 9,000 square foot dedicated Gladstone Library and Option 1B - 13,000 square foot combined library housing the Gladstone and Oak Lodge Libraries. Due to the site constraints, the new facility would comprise of either a two to three story structure in order to house the required square footage needs. In addition, due to city zoning restriction for height allowances, exceeding 35 feet would require a variance or exception. According to your indication, City Planning would likely not require installation of additional parking for the new facility based on its existing use.

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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, library staff and operations would be required to relocate and operate out of temporary facilities for a duration of approximately 10 to 12 months.

Advantages to maintaining library services at the existing site include the following.

- The site is City owned.
- Maintaining public library services within the downtown core.
- Preserving community way finding for library and City services.
- Site is flat and requires minimum site development.
- Site contains required utilities necessary.

Disadvantages to maintaining library services at the existing site include the following.

- The site is limited in size and cannot support the required parking needs of Staff or the public.
- Site restraints will require construction of a two or three story facility to accommodate projected square footage growth, which increases construction cost.
- Library staff and 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 1A - 9,000 SF: Preliminary Costs

	<u>LOW</u>	<u>HIGH</u>
Construction Costs:	\$2,509,373	\$3,138,663
Consultant Costs:	\$428,433	\$633,994
Owner Costs:	\$325,510	\$433,795
Land Costs:	\$0	\$0
Total Project Costs Range:	\$3,263,316	\$4,206,452

Option 1B - 13,000 SF: Preliminary Costs

	<u>LOW</u>	<u>HIGH</u>
Construction Costs:	\$3,519,577	\$4,351,699
Consultant Costs:	\$545,111	\$802,121
Owner Costs:	\$431,571	\$566,319
Land Costs:	\$0	\$0
Total Project Costs Range:	\$4,496,259	\$5,720,139

Option 2-A/B: Webster Site

Option 2 revolves around the evaluation of the City owned 11 acre property located North of 18275 Webster Road. The site itself appears to be large enough to support a single story facility with surface parking if independently sited or a two story facility with surface parking if co-located with a new City Hall and Police facility. Dependent on continued development investigations, there may be opportunities to co-locate said facilities within the single site and share staff and public parking demands.

As with Option 1, this option evaluates two scenarios, Option 2A - 9,000 square foot dedicated Gladstone Library and Option 2B - 13,000 square foot combined Library housing the Gladstone and Oak Lodge Libraries. 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 library 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.
- Library operations can be maintained during the construction duration at its current location.

Disadvantages to development on the Webster site include the following.

- Relocation of Library functions to the Webster site removes city functions from the city core, however, opens up commercial development opportunities if the City elected to sell the properties.
- Prior library design development has progressed to a level that will require design modifications to allow for reduced square footage and 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.

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Gladstone Library
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Option 2B - 9,000 SF: Preliminary Costs

	<u>LOW</u>	<u>HIGH</u>
Construction Costs:	\$3,278,334	\$4,036,319
Consultant Costs:	\$519,877	\$763,659
Owner Costs:	\$258,067	\$350,738
Land Costs:	\$0	\$0
Total Project Costs Range:	\$4,056,278	\$5,150,716

Option 2B - 13,000 SF: Preliminary Costs

	<u>LOW</u>	<u>HIGH</u>
Construction Costs:	\$4,288,538	\$5,280,067
Consultant Costs:	\$636,551	\$936,042
Owner Costs:	\$337,878	\$430,794
Land Costs:	\$0	\$0
Total Project Costs Range:	\$5,262,967	\$6,646,903

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



