

**GLADSTONE CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
February 12, 2019 – 6:30 PM**

6:30 p.m.

CALL TO ORDER
ROLL CALL
FLAG SALUTE

AGENDA ADDITIONS OR CORRECTIONS

PRESENTATION: Civilian Lifesaving Award Presentation – Interim Fire Chief Jeff Smith

CONSENT AGENDA:

1. Approval of January 8, 2019 Regular Meeting Minutes
2. Approval of December Bank Balances
3. Budget Report for Period ending 12-31-2018
4. Approval of December Check Register
5. Legal Costs on Projects
6. Department Head Monthly Reports for January 2019
7. Resolution 1155 - Support of Enacting HR 530, Reversing Recent Federal Communications Commission (FCC) Actions Relating to Wireless Facilities.

CORRESPONDENCE – none

REGULAR AGENDA:

8. **ACCEPT THE 2018-2019 CITY OF GLADSTONE FISCAL AUDIT**
Consider accepting the 2018-19 City of Gladstone Fiscal Audit

ADJOURN TO URBAN RENEWAL AGENCY MEETING

9. **APPROVAL OF OCTOBER 8, 2018 MEETING MINUTES**
10. **ACCEPT THE 2018-2019 GLADSTONE URBAN RENEWAL AGENCY FISCAL AUDIT**
Consider accepting the 2018-19 Gladstone Urban Renewal Agency Fiscal Audit

ADJOURN

RECONVENE TO REGULAR AGENDA

11. **UPDATE ON METRO AFFORDABLE HOUSING BOND** – (no attachments) - Clackamas County Health, Housing & Human Services Deputy Director Jill Smith and Director of Development Stephen McMurtrey.
12. **GLADSTONE CIVIC CENTER UPDATE** – (no attachments) - Kim Knox, SOJ and Project Manager for the City

13. ACCEPT OREGON STATE MARINE BOARD GRANT IN THE AMOUNT OF \$133,000

Consider accepting the Oregon State Marine Board Boat Dock Grant in the amount of \$133,000 for purchase of fabrication and delivery of new boat dock at Meldrum Bar Park boat launch area.

14. APPOINTMENT TO BUDGET COMMITTEE:

Consider appointing an applicant to the Budget Committee (3 applications received for one position)

15. ADOPT THE 2019-2021 CITY OF GLADSTONE BUDGET CALENDAR

Consider adopting the 2019-2021 City of Gladstone Budget Calendar

16. CITY COUNCIL LIAISON APPOINTMENTS

BUSINESS CARRIED FORWARD – Gladstone Downtown Revitalization Plan – Strategy for Implementation Steps

BUSINESS FROM THE AUDIENCE

Visitors: This is an opportunity for members of the audience to bring to the Council's attention any item not otherwise listed on the Agenda. Comments will be limited to three (3) minutes per person. Speakers may not yield their time to others and must fill out a speaker card available in the back of the room prior to making a comment.

BUSINESS FROM THE COUNCIL – Update on Water Environment Services (WES) Governance
Council Monthly Activity Reports

ADJOURN

Upcoming Meeting Dates:

- February 20, 2019 Gladstone Civic Center Open House – 6:00 p.m. City Hall Council Chambers
- February 26, 2019 Work Session City Council Meeting, 6:30 p.m. City Hall Council Chambers



CONSENT AGENDA

GLADSTONE CITY COUNCIL MEETING MINUTES of January 8, 2019

Meeting was called to order at 6:30 PM.

ROLL CALL:

Mayor Tammy Stempel, Councilor Neace, Councilor Tracy, Councilor Reisner, Councilor Mersereau

ABSENT:

None

STAFF:

Jacque Betz, City Administrator; Tami Bannick, City Recorder; Jim Whynot, Public Works Director;
David Doughman, City Attorney

AGENDA ADDITIONS OR CORRECTIONS:

None.

SWEARING IN OF NEW CITY COUNCIL:

Mayor Stempel introduced Randy Ripley, Matt Tracy and Tracy Todd. Judge Beloof performed the swearing in of the Councilors and Mayor Stempel.

SWEARING IN OF INTERIM POLICE CHIEF:

Judge Beloof performed the swearing in of Interim Police Chief Kim Yamashita.

ELECTION OF CITY COUNCIL PRESIDENT:

Councilor Reisner nominated Councilor Tracy. Councilor Tracy accepted the nomination. There were no other nominations. Ms. Bannick took a roll call vote: Councilor Ripley – yes. Councilor Neace – yes. Councilor Tracy – recused. Councilor Reisner – yes. Councilor Todd – yes. Councilor Mersereau – yes. Mayor Stempel – yes. Councilor Tracy was elected as Council President.

PRESENTATION – STATE OF HOMELESSNESS IN CLACKAMAS COUNTY:

Mayor Stempel introduced Vahid Brown from Clackamas County Health, Housing and Human Services. Mayor Stempel said a dire situation came to her attention over the holidays – a 92 year old woman and her son were kicked out of their home because the owner decided to move back into town. They were living out of a storage unit by day and their car at night. Their medical bills were taking almost every they had and because they didn't have a home the son could not receive caregiver payments. Since contacting Mr. Brown's group these folks now have a path forward.

Mr. Brown said that this scenario is something that comes across his desk multiple times a day – there is far more need of that type in the county than they have the capacity to provide resources for. He feels that with a concerted effort homelessness in Gladstone could be ended in the near term. He went over the spectrum of housing (shelter/transitional programming, public housing/subsidized housing, etc.). Every other year they are required to conduct a survey of homeless people. In 2017 there were 2,293 individuals counted. 746 of those were unsheltered, 157 were in short term/transitional shelter, 1,295 were unstably housed, including 910 children, and 85 of them were veterans. 65% of the students in the Head Start programs in Clackamas County are homeless (the Gladstone program had 33 homeless children). That is a 65% increase over the previous year. The most common reasons for homelessness are economic drivers. They currently have 1,258 households on a housing wait list, which represents 2,369 people. Mr. Brown said there is no emergency shelter in Clackamas County. There are emergency warming shelters in the winter and a small number of emergency shelters for people fleeing domestic violence and for families/children. There are 71 beds available for domestic violence housing/shelter. There are 9

interim housing units (3-6 months to stabilize families). There are 48 units of transitional housing (up to 2 years). 133 beds/caseworkers/funds available for rapid rehousing. 323 units of permanent supportive housing for people with complex needs. There is a significant gap between the number of units available and the number of people needing housing. There are 605 people on the wait list for the permanent supportive housing – only 35 new placements were made in 2017 and 17 of those were the result of new programs/units. There are 23 households in Gladstone that need assistance.

Mr. Brown said that high rent costs that are increasing more quickly than wages and a housing market that is very hot right now are the primary reasons for these trends/increasing numbers of homelessness. Gladstone is considered a severely rent burdened community – 32% of residents spend more than 50% of their income on housing. He went over additional statistics regarding wages/income, rents, etc. Clackamas County has a Housing Affordability and Homelessness Task Force that is meeting now – they are identifying and coming up with recommendations for goals for new housing units, policies to address homelessness, and identifying new revenue sources to address the issue. They have representatives from City Councils, law enforcement, school districts, non-profits from the hospital system, realtors, landlords, tenant advocates, etc. The meetings are held the third Wednesday of each month at the County campus in Oregon City from 6:00 p.m. – 8:30 p.m. and the public is welcome. They also have a new Affordable Housing and Services fund. Last year the Board of County Commissioners committed 1.2 million dollars from the general fund annually to address these issues. They will be awarding the money to the various programs this month.

They are conducting a frequent user service engagement analysis which is funded through the Affordable Housing and Services fund. This is a data collaboration with law enforcement, emergency departments in the hospital systems, and homeless services to identify the highest utilizers of emergency services of the most expensive type who are also homeless. They will identify the top 100 of these individuals, look at the systems they are touching, and quantify the costs of their unmet housing needs – then commit as a county to redirecting some of those resources to provide housing for that group of individuals. The voters of the metro region passed the Metro Affordable Housing Bond, which was a 658 million dollar bond on the November ballot – Clackamas County gets approximately 21% of that money. Their target is 812 units over 7 years so they are beginning implementation work. The Housing Authority is redeveloping 400 units of public housing at a redevelopment target of 4 to 1 replacement. They will be building new public housing using some of the revenue from the land value of their existing public housing to build new units for those same families; so they are intending to produce 1,600 units. He went over some other projects they have done or will be working on in the future.

Ms. Betz said that we are participating with the County in the Housing Needs Analysis to identify areas in Gladstone specifically where we might be able to do some code changes in regards to redevelopment and help with affordable housing. She wanted to let everyone know that there are no plans to move forward with the emergency warming center at the church.

PUBLIC COMMENTS:

Jennifer Ashby lives near the church. She said there is not a good answer to the homeless situation. Her concern is safety in the neighborhood. They had a man attempt to break into their house at 1:34 in the morning today – the person slept in their car and was subsequently arrested by police. She has concerns about what will happen to the neighborhoods if homeless people are coming in. She doesn't feel safe in her home.

Doug Hall asked how we treat the homeless differently without discrimination. He doesn't want to help a person who is a heroin addict and refuses to comply with rules, but would be happy to help the people like the ones that Mayor Stempel helped. He asked if there was a way to keep the hardcore homeless in an industrial/warehouse area and not in our communities and screen them.

Ellen Burns serves on the Aging Services Advisory Council for the County, etc. She has met many homeless people and gave examples of why some of them ended up homeless. She worked on a program to allow people to live in their cars on the property of churches and other non-profits in unincorporated areas of Clackamas County.

An unidentified man said that very little is said about the root cause of homelessness. He suggested that economics/incomes should be addressed in these future meetings. He also said that Glen Echo Street has been a very well maintained street until recently – he said the road is being overloaded by 18 wheelers who are using it as a short-cut between McLoughlin and the freeway. Mayor Stempel suggested he speak with Mr. Whynot regarding this issue.

Questions from Council:

Councilor Tracy asked Mr. Brown if this is the worst historically that he has seen in the region – Mr. Brown said yes. Councilor Tracy asked if the people who were evicted were asked why they were evicted – Mr. Brown said they did not have that information.

Ms. Betz said at the February 12th Council meeting Clackamas County is going to come back and talk about the status of the affordable housing bond that passed and how those dollars are going to be distributed. It was agreed that more community outreach is needed.

Mr. Brown said that Oregon City has a homeless liaison officer that does a lot of connecting people to services. They are starting a program in partnership with the Sheriff's Department and the District Attorney's Office called Law Enforcement Assisted Diversion – that will be along the 99E and 82nd corridors. Two caseworkers will be doing outreach.

Councilor Mersereau asked how much it would cost to eliminate homelessness in Gladstone. Mr. Brown said the average cost per unit of affordable housing development in the Portland area is approximately \$170,000.

Mayor Stempel said a few words about the role of the City Council. She feels it is important for everyone to understand their limitations: they represent the citizens of Gladstone and not their own personal agendas and beliefs. There have been many times when a decision being made doesn't align with what they would like personally, but after hearing the citizens' desires they have sometimes gone a different direction. That doesn't mean that their beliefs have changed; just that they listened and acted accordingly. There are laws and rules they have to use as the basis of their decisions. They do not have the luxury of randomly making decisions, but instead have to be consistent and take the path that is defensible. They appreciate everyone's time in participating in this process. Her goal is to keep the meeting respectful and engaging and she hopes everyone will help her do that.

CONSENT AGENDA:

1. Approval of December 11, 2018 Regular Meeting Minutes
2. Approval of November Bank Balances
3. Budget Report for Period ending 11-30-2018
4. Approval of November Check Register
5. Legal Costs on Projects
6. Department Head Monthly Reports for December 2018
7. Resolution No. 1154 – Updating the Master Fee Schedule to include Small Cell Deployment Fees

Councilor Tracy made a motion to approve the Consent Agenda. Motion was seconded by Councilor Neace. Motion passed unanimously.

CORRESPONDENCE:

None.

REGULAR AGENDA

8. GLADSTONE DOWNTOWN REVITALIZATION PLAN – STRATEGY FOR IMMEDIATE IMPLEMENTATION:

John Southgate, Consultant, said he was retained by the City to assist in charting a course for downtown revitalization focused mainly on Portland Avenue and the properties along Portland Avenue. He gave some background information regarding his career. He believes Gladstone is in a really great position and that Portland Avenue could be a great place. He went over the pros and cons of Gladstone. He went over the contents of his report. He suggested using some of the funds from community promotions/business development fees to hire a limited duration part time staff to work with Metro and Clackamas County on getting Gladstone eligible for some of the transportation dollars, affordable housing issues, development codes, etc.

Ms. Betz said she agrees with the recommendations that Mr. Southgate has made. She would like to discuss this further at the strategic planning session on January 26th.

Councilor Reisner asked how much money is in the budget from business license fees – Ms. Betz said there is approximately \$150,000 currently. The revenue is expected to go down about \$40,000 because of changes that were made. She said we are in dire need of a code upgrade. Councilor Tracy said he thinks we need to look at building the valuation of the City as well and build up the revenue. There was discussion regarding The Cove project, the bridge, etc. and development possibilities.

9. RINEARSON NATURAL AREA AGREEMENT:

Mr. Doughman gave some background on the project. He said that once the restoration was complete the City agreed to put some restrictions on the property regarding how it could not be developed in the future. This would allow the City Administrator to sign the Declaration of Covenants, Conditions and Restrictions and grant irrevocable right of entry for the Rinearson Natural Area. Ms. Betz thanked former Councilor McMahon for all his help/work on this project.

Councilor Reisner made a motion to authorize City Administrator Betz to sign the CC&R's and grant the right of entry for the Rinearson Natural Area property. Motion was seconded by Councilor Tracy. Motion passed unanimously.

10. UPDATED OAK LODGE WATER SERVICE DISTRICT (OLWDS) SANITARY SEWER AGREEMENT AND ORDINANCE 1494 – AMENDMENTS TO GLADSTONE MUNICIPAL CODE (GMC) CHAPTER 13.12.040 – CONNECTION FEE DESIGNATION:

Mr. Doughman said there are two separate matters but they are closely related. There are some deficiencies in the “interim agreement” between Gladstone and OLWDS that needed clarification. There is a monthly service charge that the City pays to OLWDS to treat sewage that comes from houses in the City that ultimately ends up at the OLWDS treatment plant. In the interim agreement that charge was going to be \$2/month per household – it is now approximately \$38/month. The other piece that is addressed in the interim agreement but is not clear is what happens when a new house is built – there is a hook up fee. The new agreement clarifies both of those issues.

a) *Councilor Mersereau made a motion to approve the Sanitary Sewer agreement between the City of Gladstone and OLWSD. Motion was seconded by Councilor Tracy. Motion passed unanimously.*

b) *Councilor Mersereau made a motion to approve Ordinance 1494 – amending Chapter 13.12.040 of the GMC – Connection Fee Designation. Motion was seconded by Councilor Tracy. Ms. Bannick took a roll call vote: Councilor Ripley – yes. Councilor Neace – yes. Councilor Tracy – yes. Councilor Reisner – yes. Councilor Todd – yes. Councilor Mersereau – yes. Mayor Stempel – yes. Motion passed unanimously.*

Mr. Doughman gave a second reading of the ordinance.

Councilor Todd made a motion to adopt the second reading of the ordinance. Motion was seconded by Councilor Neace.

Discussion: Councilor Tracy wanted to reiterate that there is no cost impact to approving these items.

Ms. Bannick took a roll call vote: Councilor Ripley – yes. Councilor Neace – yes. Councilor Tracy – yes. Councilor Reisner – yes. Councilor Todd – yes. Councilor Mersereau – yes. Mayor Stempel – yes. Motion passed unanimously.

11. APPOINTMENTS TO CITY BOARDS, COMMITTEES AND COMMISSIONS:

a) Audit Committee (2 applications received for one position).

Ms. Bannick asked the Councilors for their choices (Kristi Haller-Shaffer or Steve Johnson).

Mayor Stempel – Haller-Shaffer. Councilor Ripley – Johnson. Councilor Neace – Haller-Shaffer. Councilor Tracy – Haller-Shaffer. Councilor Reisner – Haller-Shaffer. Councilor Todd – Haller-Shaffer. Councilor Mersereau – Haller-Shaffer. Kristi Haller-Shaffer was selected.

b) Budget Committee (3 applications received for 3 positions).

Mr. Doughman went over the part of the statute related to the budget committee/budget law/number of people serving on the budget committee. The people selected have to receive four votes from the Council.

Ms. Bannick asked the Councilors for their choices (Mindy Garlington, Kristi Haller-Shaffer, or Steve Johnson). Mayor Stempel – Garlington and Haller-Shaffer. Councilor Ripley – all three applicants. Councilor Neace – Garlington. Councilor Tracy – Garlington. Councilor Reisner – Garlington and Haller-Shaffer. Councilor Todd – all three applicants. Councilor Mersereau – all three applicants. Mindy Garlington and Kristi Haller-Shaffer were selected.

Mr. Doughman will advise the Council regarding the open position.

c) Library Board (one application received for one position).

Ms. Bannick asked the Councilors for their choices (Dr. Bryce Colson). Mayor Stempel – Colson. Councilor Ripley – no. Councilor Neace – no. Councilor Tracy – Colson. Councilor Reisner – Colson. Councilor Todd – Colson. Councilor Mersereau – no. Dr. Bryce Colson was selected.

d) Planning Commission (three applications received for one position).

Ms. Bannick asked the Councilors for their choices (Clair Coy, Joe Johnson, Les Poole). Mayor Stempel – Coy. Councilor Ripley – Poole. Councilor Neace – Poole. Councilor Tracy – Poole. Councilor Reisner – Coy. Councilor Todd – Poole. Councilor Mersereau – Poole. Les Poole was selected.

12. CITY COUNCIL LIAISON APPOINTMENTS:

Mayor Stempel said that in the past she has asked the Councilors where they choose to be and asked the committees/boards/commissions who they would like to work with. Since there are new people she would like to hold off making her selections until after the volunteer orientation. Councilor Mersereau said this would be a good topic to discuss at the strategic planning session. Mayor Stempel agreed.

BUSINESS CARRIED FORWARD: None.

BUSINESS FROM THE AUDIENCE:

Bill Osburn congratulated the new members of the City Council and welcomed back those returning. He said he hears the term Mayberry used frequently to describe Gladstone. In Mayberry people cared about each other, as do many in our community, and it's also a small town – the similarities stop there. He is not shy about confronting those who have sworn to service with issues we the people have or pointed out when they dishonor the position or misuse their authority. He does his research and focuses on the facts. He said that four of the Councilors who were running and a fifth helping to campaign worked to put together a website, promoted it or sanctioned it by their silence. This site and the new rules they supported state that facts don't matter and the truth is no longer a boundary to be concerned with. According to the new rules they adopted not only are the people they wish to shed light on targets; so are their family members, living or dead. His father, mother, grandmother, sister and at least one of his children were used to attack him in their grab for power. His divorce, 72 years before his birth, his second at fifteen passed their test as truth. Litigation at age 12 was also listed as one of his numerous court cases along with a felony conviction that does not exist in the real world. Councilor Todd even defended the site on social media along with her close supporters. Some of those names were just as fake as their profiles. This was no surprise as it was her friends that aggressively promoted the site while trying to remove anyone from social media who questioned it. This speaks volumes to where their morals lay. He said this election is one for the history books. He said that one of you on the Council is under criminal investigation. One of you elected may not be qualified because of an act of fraud. Some of you want to focus on the positive and ignore the negative. Some of the same individuals keep violating our trust and the law. It's easy for devious people to want to overlook immoral actions, more so when they're your own. As he's stated before, we expect the Council to set a good example for us to follow. None of this represents Mayberry or the ideals of a small town. You have an opportunity to change that if you choose to. He admits he's not optimistic but he would love for them to prove him wrong. With that being said he wishes everyone a happy new year and he hopes we can move forward to a brighter, better Gladstone. He hopes to be able to focus more on the positive than the negative.

Andrew Labonte said he has spoken to some of the Councilors about traffic safety issues near Max Patterson Park – he shared his proposal for four-way stops. He feels this is an easy fix and will increase safety for everyone in that area, especially children, and he would like to see this done before the spray park opens up.

Bob Everett said he agrees with the four-way stops idea. He welcomed the new Councilors and wished them luck. He said his passion is the downtown/Portland Avenue area. He hopes we move forward in some way. He is willing to be part of that process and would love to be included in that. He feels that the inclusion of a number of the businesses and the people involved in running them is important.

Kelley Chaney said in regard to the homeless situation she heard “those people”/”these people” and “us” a lot. She said her mother could have easily become one of the statistics that was talked about. She has a friend in a similar situation. Ms. Chaney said that her rent is more than 50% of her income. She said the man that was arrested may have just been looking for a warm place to sleep.

Mayor Stempel asked what we need to do to get the four-way stop put in near Max Patterson Park. Ms. Betz said she believes it went through the Parks and Rec Board and now it has come before the Council. She said they just need direction from the Council to work on it now. Mayor Stempel asked for a consensus – the Councilors agreed.

BUSINESS FROM THE COUNCIL:

Councilor Mersereau:

He hopes everybody is having a good new year.

Councilor Todd:

She wanted to thank everybody for welcoming her. She said it’s a learning curve but she will do her best. She said she loves Gladstone and she will help any way she can.

Councilor Reisner:

He welcomed the new Councilors and said he looks forward to working with them.

Councilor Tracy:

He thanked Ms. Chaney for her comments. He said people are being put out of their houses by circumstances outside their control and when we say “these people” we are missing the point. It’s all of us. He said we need to change the narrative – it won’t solve the problem.

Councilor Neace:

She agrees with Councilor Tracy. She is sorry that Mr. Osburn feels the way he does but it’s a new year, a new day and it’s time for us to come together, work together, and move forward. She feels we can do this with this council. She looks forward to working with all of them.

Mayor Stempel:

She said “The Happiness Advantage” is the new book she is reading and it’s awesome – she advised everyone to read it.

She thanked everyone who showed up for Senator Jeff Merkley’s Town Hall meeting held at Gladstone High School last week. It was a great opportunity to hear what his agenda is. She said he is a very approachable man.

ADJOURN:

Meeting was adjourned at approximately 9:06 P.M.

Approved by the Mayor this _____ day of _____, 2018.

ATTEST:

Tamara Stempel, Mayor

Tami Bannick, City Recorder

BANK BALANCES						
Month Ending Balance						
Bank	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018
LGIP -City Of Gladstone #4472	\$ 8,035,092.04	\$ 7,077,290.87	\$ 7,330,190.63	\$ 7,204,869.17	\$ 10,330,272.64	\$ 11,266,768.65
LGIP - Urban Renewal Agency #4650	7,380,826.41	13,903,020.95	13,952,945.55	13,984,160.68	14,683,565.34	14,913,618.25
Checking Accounts:						
General Fund ¹⁾	3,115,967.05	401,118.15	204,109.12	151,905.74	203,864.34	192,957.71
Urban Renewal ¹⁾	3,816,920.33	316,927.81	316,930.41	128,849.61	128,850.66	128,784.25
Municipal Court	40,851.67	49,238.16	39,792.55	42,755.85	66,055.10	26,525.09
Totals	\$ 22,389,657.50	\$ 21,747,595.94	\$ 21,843,968.26	\$ 21,512,541.05	\$ 25,412,608.08	\$ 26,528,653.95
¹⁾ Borrowing closed on 07/31/18 - moved to LGIP in August						
Bank	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019
LGIP -City Of Gladstone #4472						
LGIP - Urban Renewal Agency #4650						
Checking Accounts:						
General Fund						
Urban Renewal						
Municipal Court						
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Budget Report Account Summary

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 100 - GENERAL FUND							
Revenue							
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL							
RptType: 3000 - BEG FUND BAL.							
100-000-309999	BEGINNING FUND BALANCE	3,270,000.00	3,270,000.00	0.00	0.00	-3,270,000.00	0.00 %
	RptType: 3000 - BEG FUND BAL. Total:	3,270,000.00	3,270,000.00	0.00	0.00	-3,270,000.00	0.00 %
RptType: 3100 - LOCAL TAXES							
100-000-310010	CURRENT YEAR TAXES	3,874,318.00	3,874,318.00	881,544.71	3,870,329.74	-3,988.26	99.90 %
100-000-310050	PRIOR YEAR TAXES	110,000.00	110,000.00	2,373.70	17,285.46	-92,714.54	15.71 %
100-000-311030	LIBRARY DISTRICT REVENUE	740,778.00	740,778.00	0.00	0.00	-740,778.00	0.00 %
100-000-314045	TRANSIENT LODGING TAX	2,000.00	2,000.00	12,015.37	80,138.81	78,138.81	4,006.94 %
	RptType: 3100 - LOCAL TAXES Total:	4,727,096.00	4,727,096.00	895,933.78	3,967,754.01	-759,341.99	83.94 %
RptType: 3110 - STATE SHARED TAXES							
100-000-310170	STATE REVENUE SHARING	0.00	0.00	32,867.39	63,251.58	63,251.58	0.00 %
100-000-311010	ALCOHOL TAX REVENUE	206,000.00	206,000.00	29,344.86	98,925.28	-107,074.72	48.02 %
100-000-311015	MARIJUANA TAX	0.00	0.00	0.00	18,547.88	18,547.88	0.00 %
100-000-311020	CIGARETTE TAX REVENUE	14,000.00	14,000.00	2,323.14	6,289.22	-7,710.78	44.92 %
	RptType: 3110 - STATE SHARED TAXES Total:	220,000.00	220,000.00	64,535.39	187,013.96	-32,986.04	85.01 %
RptType: 3120 - RIGHT OF WAY FEES							
100-000-312010	GLADSTONE DISPOSAL FRANCHISE FEE	100,000.00	100,000.00	0.00	29,862.19	-70,137.81	29.86 %
100-000-312025	PGE FRANCHISE FEES	300,000.00	300,000.00	0.00	0.00	-300,000.00	0.00 %
100-000-312030	NW NATURAL GAS FRANCHISE FEE	78,000.00	78,000.00	0.00	0.00	-78,000.00	0.00 %
100-000-312035	CENTURY LINK FRANCHISE FEE	25,000.00	25,000.00	0.00	0.00	-25,000.00	0.00 %
100-000-312040	COMCAST CABLE TV FRANCHISE FE	165,000.00	165,000.00	37,039.09	37,039.09	-127,960.91	22.45 %
100-000-312050	RIGHT OF WAY FEES	225,000.00	225,000.00	-33,970.97	41,570.74	-183,429.26	18.48 %
100-000-312060	LICENSE & APPLICATION FEES	0.00	0.00	50.00	50.00	50.00	0.00 %
	RptType: 3120 - RIGHT OF WAY FEES Total:	893,000.00	893,000.00	3,118.12	108,522.02	-784,477.98	12.15 %
RptType: 3130 - LICENSES AND PERMITS							
100-000-313010	BUSINESS LICENSE FEES	125,000.00	125,000.00	16,535.00	22,745.00	-102,255.00	18.20 %
100-000-313015	LIQUOR LICENSE RENEWALS	1,000.00	1,000.00	0.00	105.00	-895.00	10.50 %
100-000-313020	ALARM PERMITS	3,500.00	3,500.00	200.00	1,475.00	-2,025.00	42.14 %
	RptType: 3130 - LICENSES AND PERMITS Total:	129,500.00	129,500.00	16,735.00	24,325.00	-105,175.00	18.78 %
RptType: 3140 - CHARGES FOR SERVICES							
100-000-314010	RECREATION FEES	3,000.00	3,000.00	0.00	798.16	-2,201.84	26.61 %
100-000-314015	SENIOR CENTER BUILDING RENTAL FE...	3,500.00	3,500.00	20.00	3,541.75	41.75	101.19 %
100-000-314020	PLANNING APPLICATION FEES	30,000.00	30,000.00	0.00	5,905.00	-24,095.00	19.68 %
100-000-314025	SOCIAL SERVICES CONTRACT	32,000.00	32,000.00	16,158.54	16,158.54	-15,841.46	50.50 %
100-000-314030	LIEN SEARCH FEES	4,200.00	4,200.00	300.00	3,300.00	-900.00	78.57 %
100-000-314040	ALL OTHER LIBRARY RECEIPTS	25,000.00	25,000.00	1,113.74	7,854.77	-17,145.23	31.42 %
	RptType: 3140 - CHARGES FOR SERVICES Total:	97,700.00	97,700.00	17,592.28	37,558.22	-60,141.78	38.44 %
RptType: 3141 - SDC							
100-000-314110	PARK SDC FEES	0.00	0.00	0.00	19,411.00	19,411.00	0.00 %
	RptType: 3141 - SDC Total:	0.00	0.00	0.00	19,411.00	19,411.00	0.00 %
RptType: 3150 - GRANTS							
100-000-315040	FIRE GRANTS	257,020.00	257,020.00	0.00	103,006.01	-154,013.99	40.08 %
100-000-315050	READY TO READ/STATE AID LIBRARY	3,000.00	3,000.00	2,944.00	2,944.00	-56.00	98.13 %
100-000-315055	MARINE BOARD MAINTENANCE GRA...	5,400.00	5,400.00	0.00	0.00	-5,400.00	0.00 %
100-000-315070	SR. CENTER FEDERAL FUNDS	0.00	0.00	-12,007.75	0.00	0.00	0.00 %
	RptType: 3150 - GRANTS Total:	265,420.00	265,420.00	-9,063.75	105,950.01	-159,469.99	39.92 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
RptType: 3160 - DEBT SERVICE PROCEEDS							
100-000-381000	OFS-DEBT PROCEEDS	0.00	3,000,000.00	0.00	3,000,000.00	0.00	100.00 %
	RptType: 3160 - DEBT SERVICE PROCEEDS Total:	0.00	3,000,000.00	0.00	3,000,000.00	0.00	100.00 %
RptType: 3260 - FINES AND FORFEITURES							
100-000-326010	COURT FINES & FORFEITURES	356,400.00	356,400.00	32,698.38	213,534.03	-142,865.97	59.91 %
	RptType: 3260 - FINES AND FORFEITURES Total:	356,400.00	356,400.00	32,698.38	213,534.03	-142,865.97	59.91 %
RptType: 3301 - INTEREST							
100-000-330100	INTEREST	65,000.00	65,000.00	22,830.89	95,822.23	30,822.23	147.42 %
	RptType: 3301 - INTEREST Total:	65,000.00	65,000.00	22,830.89	95,822.23	30,822.23	147.42 %
RptType: 3600 - MISCELLANEOUS							
100-000-360000	ALL OTHER GF RECEIPTS	122,000.00	122,000.00	1,688.00	35,636.96	-86,363.04	29.21 %
100-000-361014	FIRE TRAINING REIMBURSEMENT	1,000.00	1,000.00	0.00	0.00	-1,000.00	0.00 %
100-000-361016	FIRST RESPONDER SUPPLIES REIMB	6,000.00	6,000.00	1,221.00	3,071.00	-2,929.00	51.18 %
100-000-361041	LIBRARY FOUNDATION - FUNDED PR...	5,000.00	5,000.00	0.00	5,000.00	0.00	100.00 %
100-000-362210	SENIOR CENTER BEQUESTS	0.00	0.00	2,329.15	11,661.15	11,661.15	0.00 %
100-000-362212	TRAM TRIPS	2,000.00	2,000.00	297.00	4,614.82	2,614.82	230.74 %
100-000-362213	MEAL CHARGES	5,000.00	5,000.00	1,089.85	8,554.60	3,554.60	171.09 %
100-000-362214	MEDICAID FUNDS	20,000.00	20,000.00	0.00	0.00	-20,000.00	0.00 %
	RptType: 3600 - MISCELLANEOUS Total:	161,000.00	161,000.00	6,625.00	68,538.53	-92,461.47	42.57 %
RptType: 3700 - OTHER							
100-000-371000	SALE OF SURPLUS EQUIP/PROPERTY	15,000.00	15,000.00	0.00	156,054.94	141,054.94	1,040.37 %
	RptType: 3700 - OTHER Total:	15,000.00	15,000.00	0.00	156,054.94	141,054.94	1,040.37 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	10,200,116.00	13,200,116.00	1,051,005.09	7,984,483.95	-5,215,632.05	60.49 %
Department: 910 - TRANSFER IN							
RptType: 3990 - TRANSFERS IN							
100-910-399205	TRANSFER IN FROM STREET FUND	66,105.00	66,105.00	0.00	0.00	-66,105.00	0.00 %
100-910-399228	TRANSFER IN FROM POLICE LEVY	14,990.00	14,990.00	0.00	0.00	-14,990.00	0.00 %
100-910-399229	TRANSFER IN FROM FIRE LEVY	6,300.00	6,300.00	0.00	0.00	-6,300.00	0.00 %
100-910-399390	TRANSFER IN FROM URBAN RENEWAL	0.00	45,250.00	0.00	0.00	-45,250.00	0.00 %
100-910-399730	TRANSFER IN FROM SEWER FUND	28,620.00	28,620.00	0.00	0.00	-28,620.00	0.00 %
100-910-399740	TRANSFER IN FROM WATER FUND	16,025.00	16,025.00	0.00	0.00	-16,025.00	0.00 %
100-910-399750	TRANSFER IN FROM STORM WATER	20,350.00	20,350.00	0.00	0.00	-20,350.00	0.00 %
	RptType: 3990 - TRANSFERS IN Total:	152,390.00	197,640.00	0.00	0.00	-197,640.00	0.00 %
	Department: 910 - TRANSFER IN Total:	152,390.00	197,640.00	0.00	0.00	-197,640.00	0.00 %
	Revenue Total:	10,352,506.00	13,397,756.00	1,051,005.09	7,984,483.95	-5,413,272.05	59.60 %
Expense							
Department: 121 - ADMIN							
RptCategory: 40 - PERSONNEL SERVICES							
100-121-431010	CITY ADMINISTRATOR	142,000.00	142,000.00	11,265.00	65,059.20	76,940.80	45.82 %
100-121-431020	CITY RECORDER	109,500.00	109,500.00	10,642.00	64,962.00	44,538.00	59.33 %
100-121-431070	OFFICE ASSISTANT	82,895.00	82,895.00	4,167.00	27,230.97	55,664.03	32.85 %
100-121-431500	ACCOUNTING CLERK	121,200.00	121,200.00	6,750.74	40,122.67	81,077.33	33.10 %
100-121-450100	OVERTIME	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00 %
100-121-450500	CAREER RECOGNITION PAY	3,200.00	3,200.00	149.15	929.60	2,270.40	29.05 %
100-121-470000	ASSOCIATED PAYROLL COSTS	267,200.00	267,200.00	15,011.15	90,284.06	176,915.94	33.79 %
	RptCategory: 40 - PERSONNEL SERVICES Total:	726,995.00	726,995.00	47,985.04	288,588.50	438,406.50	39.70 %
RptCategory: 50 - MATERIAL AND SERVICES							
100-121-500110	CONTRACTUAL & PROFESSIONAL SER...	247,107.00	247,107.00	8,376.25	67,015.87	180,091.13	27.12 %
100-121-500120	MUNICIPAL AUDIT CONTRACT	40,000.00	40,000.00	0.00	13,000.00	27,000.00	32.50 %
100-121-500130	LEGAL FEES	188,000.00	188,000.00	6,303.21	31,794.74	156,205.26	16.91 %
100-121-500210	COMPUTER/TECHNOLOGY SERVICES	66,000.00	66,000.00	8,560.13	25,704.80	40,295.20	38.95 %
100-121-500490	COUNCIL ACTIVITIES	10,000.00	10,000.00	309.30	892.54	9,107.46	8.93 %
100-121-500491	OUTSIDE AGENCY REQUESTS	1,250.00	1,250.00	0.00	0.00	1,250.00	0.00 %
100-121-500492	COUNTY PLANNING SERVICES CONTR...	65,000.00	65,000.00	18,016.20	52,186.52	12,813.48	80.29 %
100-121-510020	COMM PROMOTIONS/BUSINESS DEV	232,000.00	232,000.00	0.00	3,600.00	228,400.00	1.55 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
100-121-520120	BANK CHARGES	4,500.00	4,500.00	1,359.99	3,248.47	1,251.53	72.19 %
100-121-520310	MAINTENANCE, REPAIR & OPERATION	0.00	0.00	0.00	562.50	-562.50	0.00 %
100-121-520320	FLEET FUEL, MAINTENANCE & REPAIR	1,500.00	1,500.00	0.00	25.93	1,474.07	1.73 %
100-121-520400	OFFICE SUPPLIES & EQUIPMENT	27,255.00	27,255.00	1,368.98	8,600.22	18,654.78	31.55 %
100-121-520450	CITY NEWSLETTER	33,600.00	33,600.00	2,713.19	16,189.44	17,410.56	48.18 %
100-121-530000	FIRE & LIABILITY INSURANCE	160,000.00	160,000.00	488.29	157,036.40	2,963.60	98.15 %
100-121-530200	EMERGENCY MANAGEMENT	25,750.00	25,750.00	42.75	171.00	25,579.00	0.66 %
100-121-540110	EMPLOYEE APPRECIATION	1,700.00	1,700.00	0.00	455.01	1,244.99	26.77 %
100-121-540120	PERSONNEL RECRUITMENT	17,700.00	17,700.00	1,290.00	1,863.00	15,837.00	10.53 %
100-121-540200	DUES & MEMBERSHIPS	12,500.00	12,500.00	0.00	10,268.68	2,231.32	82.15 %
100-121-540220	TRAVEL, CONFERENCES & TRAINING	12,700.00	12,700.00	357.44	2,720.74	9,979.26	21.42 %
100-121-540230	MILEAGE REIMBURSEMENT	2,500.00	2,500.00	0.00	0.00	2,500.00	0.00 %
100-121-542000	PUBLICATIONS & SUBSCRIPTIONS	15,000.00	15,000.00	0.00	3,666.97	11,333.03	24.45 %
100-121-560120	TELEPHONES	14,000.00	14,000.00	871.36	4,989.37	9,010.63	35.64 %
RptCategory: 50 - MATERIAL AND SERVICES Total:		1,178,062.00	1,178,062.00	50,057.09	403,992.20	774,069.80	34.29 %
Department: 121 - ADMIN Total:		1,905,057.00	1,905,057.00	98,042.13	692,580.70	1,212,476.30	36.35 %
Department: 124 - FACILITIES							
RptCategory: 40 - PERSONNEL SERVICES							
100-124-437050	PUBLIC WORKS SUPERVISOR	7,800.00	7,800.00	693.94	4,070.87	3,729.13	52.19 %
100-124-437070	UTILITY WORKER, JOURNEY	33,000.00	33,000.00	1,983.00	12,129.80	20,870.20	36.76 %
100-124-439011	SEASONAL HELP	8,500.00	8,500.00	0.00	4,758.53	3,741.47	55.98 %
100-124-450100	OVERTIME	1,000.00	1,000.00	104.71	267.99	732.01	26.80 %
100-124-470000	ASSOCIATED PAYROLL COSTS	1,450.00	1,450.00	1,115.36	7,216.95	-5,766.95	497.72 %
RptCategory: 40 - PERSONNEL SERVICES Total:		51,750.00	51,750.00	3,897.01	28,444.14	23,305.86	54.96 %
RptCategory: 50 - MATERIAL AND SERVICES							
100-124-500110	CONTRACTUAL & PROFESSIONAL SER...	47,000.00	47,000.00	2,666.22	16,225.22	30,774.78	34.52 %
100-124-520130	OPERATIONS, MAINTENANCE & REPA...	29,000.00	29,000.00	5,120.13	22,692.60	6,307.40	78.25 %
100-124-520322	GENERATOR FUEL	1,600.00	1,600.00	0.00	0.00	1,600.00	0.00 %
100-124-540220	TRAVEL, CONFERENCES& TRAINING	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00 %
100-124-540300	SMALL TOOLS, EQUIPMENT & SAFETY...	7,400.00	7,400.00	49.70	422.44	6,977.56	5.71 %
100-124-560100	UTILITIES	52,500.00	52,500.00	6,830.14	34,530.68	17,969.32	65.77 %
RptCategory: 50 - MATERIAL AND SERVICES Total:		138,500.00	138,500.00	14,666.19	73,870.94	64,629.06	53.34 %
RptCategory: 60 - CAPITAL OUTLAY							
100-124-641010	BUILDING REPAIR	0.00	0.00	400.00	31,412.00	-31,412.00	0.00 %
RptCategory: 60 - CAPITAL OUTLAY Total:		0.00	0.00	400.00	31,412.00	-31,412.00	0.00 %
Department: 124 - FACILITIES Total:		190,250.00	190,250.00	18,963.20	133,727.08	56,522.92	70.29 %
Department: 220 - COURT							
RptCategory: 40 - PERSONNEL SERVICES							
100-220-432020	MUNICIPAL COURT CLERK	61,000.00	61,000.00	4,955.33	29,731.98	31,268.02	48.74 %
100-220-432035	ASSISTANT COURT CLERK	22,600.00	22,600.00	4,160.24	25,005.83	-2,405.83	110.65 %
100-220-450100	OVERTIME	800.00	800.00	0.00	0.00	800.00	0.00 %
100-220-450500	CAREER RECOGNITION PAY	580.00	580.00	0.00	0.00	580.00	0.00 %
100-220-470000	ASSOCIATED PAYROLL COSTS	57,000.00	57,000.00	4,502.61	26,432.57	30,567.43	46.37 %
RptCategory: 40 - PERSONNEL SERVICES Total:		141,980.00	141,980.00	13,618.18	81,170.38	60,809.62	57.17 %
RptCategory: 50 - MATERIAL AND SERVICES							
100-220-500110	CONTRACTUAL & PROFESSIONAL SER...	1,000.00	1,000.00	100.00	300.00	700.00	30.00 %
100-220-500132	PROSECUTING ATTORNEY	45,500.00	45,500.00	3,000.00	18,000.00	27,500.00	39.56 %
100-220-500134	ATTORNEYS FOR INDIGENT CLIENTS	31,550.00	31,550.00	3,075.00	11,175.00	20,375.00	35.42 %
100-220-500136	MUNICIPAL COURT JUDGE	41,000.00	41,000.00	4,092.00	19,092.00	21,908.00	46.57 %
100-220-500137	PRO-TEM JUDGE	1,869.00	1,869.00	0.00	0.00	1,869.00	0.00 %
100-220-500138	JURY EXPENSES	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00 %
100-220-500282	COURTROOM SECURITY	8,000.00	8,000.00	570.00	2,850.00	5,150.00	35.63 %
100-220-520120	BANK CHARGES	6,000.00	6,000.00	0.00	1,205.48	4,794.52	20.09 %
100-220-520400	OFFICE SUPPLIES & EQUIPMENT	11,000.00	11,000.00	150.79	3,509.76	7,490.24	31.91 %
100-220-520401	REFUNDS & COLLECTION SERVICES	1,200.00	1,200.00	0.00	0.00	1,200.00	0.00 %
100-220-520420	DOCUMENT IMAGING	1,800.00	1,800.00	0.00	0.00	1,800.00	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
100-220-540220	TRAVEL, CONFERENCES & TRAININGI...	4,000.00	4,000.00	0.00	1,076.02	2,923.98	26.90 %
RptCategory: 50 - MATERIAL AND SERVICES Total:		153,919.00	153,919.00	10,987.79	57,208.26	96,710.74	37.17 %
Department: 220 - COURT Total:		295,899.00	295,899.00	24,605.97	138,378.64	157,520.36	46.77 %
Department: 240 - POLICE							
RptCategory: 40 - PERSONNEL SERVICES							
100-240-432110	POLICE CHIEF	101,880.00	101,880.00	14,874.59	61,674.59	40,205.41	60.54 %
100-240-432130	POLICE LIEUTENANT	96,425.00	96,425.00	8,435.71	48,605.71	47,819.29	50.41 %
100-240-432140	POLICE DETECTIVE	144,125.00	144,125.00	6,081.48	36,645.81	107,479.19	25.43 %
100-240-432160	POLICE OFFICER	598,850.00	598,850.00	46,279.87	264,924.34	333,925.66	44.24 %
100-240-432170	POLICE SERGEANT	222,137.00	222,137.00	18,630.38	110,513.99	111,623.01	49.75 %
100-240-432182	PROPERTY ROOM TECHNICIAN	28,000.00	28,000.00	2,315.69	12,714.91	15,285.09	45.41 %
100-240-432185	POLICE RECORDS CLERK	47,700.00	47,700.00	3,963.00	23,778.00	23,922.00	49.85 %
100-240-432190	POLICE RESERVES	7,000.00	7,000.00	0.00	563.17	6,436.83	8.05 %
100-240-450100	OVERTIME	100,000.00	100,000.00	5,231.53	66,146.63	33,853.37	66.15 %
100-240-450200	HOLIDAY PAY	10,000.00	10,000.00	948.91	5,062.66	4,937.34	50.63 %
100-240-450300	PROFICIENCY PAY	50,000.00	50,000.00	2,258.46	14,058.05	35,941.95	28.12 %
100-240-450500	CAREER RECOGNITION PAY	8,000.00	8,000.00	126.43	760.51	7,239.49	9.51 %
100-240-470000	ASSOCIATED PAYROLL COSTS	1,005,000.00	1,005,000.00	48,773.74	301,893.06	703,106.94	30.04 %
100-240-470040	LIFE & DISABILITY INSURANCE	0.00	0.00	0.00	130.93	-130.93	0.00 %
RptCategory: 40 - PERSONNEL SERVICES Total:		2,419,117.00	2,419,117.00	157,919.79	947,472.36	1,471,644.64	39.17 %
RptCategory: 50 - MATERIAL AND SERVICES							
100-240-500110	CONTRACTUAL & PROFESSIONAL SER...	40,000.00	40,000.00	1,098.03	16,839.33	23,160.67	42.10 %
100-240-500284	PARK PATROL	6,300.00	6,300.00	0.00	4,092.00	2,208.00	64.95 %
100-240-510044	JUVENILE DIVERSION PROGRAM	3,500.00	3,500.00	0.00	2,500.00	1,000.00	71.43 %
100-240-520100	OPERATIONAL SUPPLIES AND EXPENS...	90,000.00	90,000.00	3,220.83	13,931.70	76,068.30	15.48 %
100-240-520112	FIREARMS/AMMUNITION	20,000.00	20,000.00	928.66	9,749.11	10,250.89	48.75 %
100-240-520310	MAINTENANCE, REPAIR & OPERATION	15,000.00	15,000.00	127.08	852.39	14,147.61	5.68 %
100-240-520320	FLEET FUEL, MAINTENANCE & REPAIR	75,000.00	75,000.00	4,189.88	27,012.92	47,987.08	36.02 %
100-240-520340	RADIO MAINTENANCE REPLACEMENT	22,000.00	22,000.00	0.00	17,002.00	4,998.00	77.28 %
100-240-520345	RADAR MAINTENANCE REPLACEMENT	6,000.00	6,000.00	0.00	257.50	5,742.50	4.29 %
100-240-520400	OFFICE SUPPLIES & EQUIPMENT	9,000.00	9,000.00	2,594.48	7,550.34	1,449.66	83.89 %
100-240-530101	POLICE RESERVE LIFE INSURANCE	0.00	0.00	0.67	1.44	-1.44	0.00 %
100-240-540110	EMPLOYEE APPRECIATION	6,500.00	6,500.00	102.30	557.23	5,942.77	8.57 %
100-240-540200	DUES & MEMBERSHIPS	35,000.00	35,000.00	1,275.14	9,791.50	25,208.50	27.98 %
100-240-540301	UNIFORMS AND SAFETY EQUIPMENT	24,000.00	24,000.00	813.99	12,404.98	11,595.02	51.69 %
100-240-542000	PUBLICATIONS & SUBSCRIPTIONS	19,500.00	19,500.00	112.50	1,337.50	18,162.50	6.86 %
100-240-560110	CELL PHONES, PAGERS, RADIOS	16,500.00	16,500.00	1,779.29	10,307.45	6,192.55	62.47 %
RptCategory: 50 - MATERIAL AND SERVICES Total:		388,300.00	388,300.00	16,242.85	134,187.39	254,112.61	34.56 %
RptCategory: 60 - CAPITAL OUTLAY							
100-240-641025	POLICE STATION IMPROVEMENTS	38,800.00	38,800.00	0.00	0.00	38,800.00	0.00 %
100-240-651000	VEHICLES AND EQUIPMENT RESERVES	151,000.00	151,000.00	14,256.74	39,028.74	111,971.26	25.85 %
100-240-661018	RADIO & COMPUTER RESERVE	8,000.00	8,000.00	0.00	790.00	7,210.00	9.88 %
RptCategory: 60 - CAPITAL OUTLAY Total:		197,800.00	197,800.00	14,256.74	39,818.74	157,981.26	20.13 %
Department: 240 - POLICE Total:		3,005,217.00	3,005,217.00	188,419.38	1,121,478.49	1,883,738.51	37.32 %
Department: 250 - FIRE							
RptCategory: 40 - PERSONNEL SERVICES							
100-250-432210	FIRE CHIEF	104,672.00	104,672.00	7,776.00	48,051.73	56,620.27	45.91 %
100-250-432220	FIRE MARSHAL	82,930.00	82,930.00	7,227.00	43,362.00	39,568.00	52.29 %
100-250-432240	FIRE CAPTAIN	172,000.00	172,000.00	15,071.00	93,743.63	78,256.37	54.50 %
100-250-432290	ON-CALL FIREFIGHTERS	280,000.00	280,000.00	19,665.30	122,434.03	157,565.97	43.73 %
100-250-450100	OVERTIME	13,000.00	13,000.00	3,747.71	13,301.10	-301.10	102.32 %
100-250-470000	ASSOCIATED PAYROLL COSTS	244,000.00	244,000.00	24,389.92	147,069.41	96,930.59	60.27 %
100-250-470040	LIFE & DISABILITY INSURANCE	7,000.00	7,000.00	16.08	2,981.93	4,018.07	42.60 %
RptCategory: 40 - PERSONNEL SERVICES Total:		903,602.00	903,602.00	77,893.01	470,943.83	432,658.17	52.12 %
RptCategory: 50 - MATERIAL AND SERVICES							
100-250-500110	CONTRACTUAL & PROFESSIONAL SER...	0.00	0.00	0.00	34.00	-34.00	0.00 %

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
100-250-500150	MEDICAL DIRECTOR CONTRACT	17,000.00	17,000.00	995.00	6,180.00	10,820.00	36.35 %
100-250-500210	COMPUTER/TECHNOLOGY SERVICES	13,500.00	13,500.00	3,747.82	3,747.82	9,752.18	27.76 %
100-250-500498	SHARE COST CCOM DISPATCH	87,300.00	87,300.00	7,000.08	42,000.48	45,299.52	48.11 %
100-250-510022	FIRE GRANTS	50,000.00	50,000.00	0.00	0.00	50,000.00	0.00 %
100-250-520122	FIRE PREVENTION & INVESTIGATION	12,000.00	12,000.00	0.00	2,031.05	9,968.95	16.93 %
100-250-520124	FIRST RESPONDER SUPPLIES	29,000.00	29,000.00	2,021.24	13,479.63	15,520.37	46.48 %
100-250-520126	SCBA & TURNOUT MAINTENANCE	15,500.00	15,500.00	875.68	5,719.57	9,780.43	36.90 %
100-250-520200	BLDG MAINTENANCE & SUPPLIES	47,000.00	47,000.00	2,848.88	17,617.23	29,382.77	37.48 %
100-250-520320	FLEET FUEL, MAINTENANCE & REPAIR	63,000.00	63,000.00	3,713.37	31,344.64	31,655.36	49.75 %
100-250-520400	OFFICE SUPPLIES & EQUIPMENT	4,700.00	4,700.00	2,504.40	3,760.72	939.28	80.02 %
100-250-540130	PHYSICAL EXAMINATIONS	17,000.00	17,000.00	0.00	5,013.34	11,986.66	29.49 %
100-250-540200	DUES & MEMBERSHIPS	13,500.00	13,500.00	0.00	1,109.50	12,390.50	8.22 %
100-250-540222	TECH RESCUE TRAINING	12,250.00	12,250.00	270.00	504.00	11,746.00	4.11 %
100-250-540224	EMS TRAINING & RECERTIFICATION	12,500.00	12,500.00	949.08	2,863.08	9,636.92	22.90 %
100-250-540225	FIREFIGHTER TRAINING	64,000.00	64,000.00	4,588.99	13,338.71	50,661.29	20.84 %
100-250-540301	UNIFORMS AND SAFETY EQUIPMENT	18,500.00	18,500.00	109.04	4,752.88	13,747.12	25.69 %
100-250-560110	CELL PHONES, PAGERS, RADIOS	51,000.00	51,000.00	432.50	4,383.95	46,616.05	8.60 %
RptCategory: 50 - MATERIAL AND SERVICES Total:		527,750.00	527,750.00	30,056.08	157,880.60	369,869.40	29.92 %
RptCategory: 60 - CAPITAL OUTLAY							
100-250-661010	ROUTINE EQUIP REPLACEMENT	45,300.00	45,300.00	107.00	4,311.68	40,988.32	9.52 %
100-250-661012	TURN-OUTS & SCBA RESERVE	271,000.00	271,000.00	0.00	8,149.20	262,850.80	3.01 %
100-250-661014	DIVE RESCUE EQUIPMENT	16,000.00	16,000.00	0.00	4,106.75	11,893.25	25.67 %
100-250-661016	FIRE APPARATUS & EQUIPMENT RESE...	418,667.00	418,667.00	0.00	0.00	418,667.00	0.00 %
100-250-661018	RADIO & COMPUTER RESERVE	93,000.00	93,000.00	0.00	22,197.00	70,803.00	23.87 %
RptCategory: 60 - CAPITAL OUTLAY Total:		843,967.00	843,967.00	107.00	38,764.63	805,202.37	4.59 %
Department: 250 - FIRE Total:		2,275,319.00	2,275,319.00	108,056.09	667,589.06	1,607,729.94	29.34 %
Department: 526 - PARKS							
RptCategory: 40 - PERSONNEL SERVICES							
100-526-437049	PUBLIC WORKS DIRECTOR	21,400.00	21,400.00	1,887.00	10,876.00	10,524.00	50.82 %
100-526-437050	PUBLIC WORKS SUPERVISOR	32,200.00	32,200.00	3,122.74	18,318.90	13,881.10	56.89 %
100-526-437055	PW ADMIN ASSISTANT	3,000.00	3,000.00	702.60	4,659.92	-1,659.92	155.33 %
100-526-437070	UTILITY WORKER, JOURNEY	82,000.00	82,000.00	7,629.01	44,420.42	37,579.58	54.17 %
100-526-439011	SEASONAL HELP	11,000.00	11,000.00	0.00	21,943.64	-10,943.64	199.49 %
100-526-450100	OVERTIME	1,300.00	1,300.00	173.50	1,216.07	83.93	93.54 %
100-526-450500	CAREER RECOGNITION PAY	1,690.00	1,690.00	169.38	969.42	720.58	57.36 %
100-526-470000	ASSOCIATED PAYROLL COSTS	90,000.00	90,000.00	7,703.56	50,090.00	39,910.00	55.66 %
RptCategory: 40 - PERSONNEL SERVICES Total:		242,590.00	242,590.00	21,387.79	152,494.37	90,095.63	62.86 %
RptCategory: 50 - MATERIAL AND SERVICES							
100-526-500110	CONTRACTUAL & PROFESSIONAL SER...	20,000.00	20,000.00	367.85	1,967.51	18,032.49	9.84 %
100-526-520130	OPERATIONS, MAINTENANCE & REPA...	18,000.00	18,000.00	15,953.48	36,324.22	-18,324.22	201.80 %
100-526-520132	HAZARDOUS TREE REMOVAL	29,000.00	29,000.00	2,450.00	5,005.00	23,995.00	17.26 %
100-526-520134	SPRAY PARK OPS & MAINTENANCE	0.00	0.00	0.00	267.00	-267.00	0.00 %
100-526-520320	FLEET FUEL, MAINTENANCE & REPAIR	30,000.00	30,000.00	1,190.43	7,391.06	22,608.94	24.64 %
100-526-520400	OFFICE SUPPLIES & EQUIPMENT	2,000.00	2,000.00	1,005.33	1,483.97	516.03	74.20 %
100-526-540220	TRAVEL, CONFERENCES & TRAINING	3,000.00	3,000.00	0.00	300.60	2,699.40	10.02 %
100-526-540300	SMALL TOOLS, EQUIPMENT & SAFETY...	20,000.00	20,000.00	11.20	846.38	19,153.62	4.23 %
100-526-540400	DUMPING, HAULING, GARBAGE	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00 %
100-526-560100	UTILITIES	25,000.00	25,000.00	1,941.67	14,430.42	10,569.58	57.72 %
RptCategory: 50 - MATERIAL AND SERVICES Total:		152,000.00	152,000.00	22,919.96	68,016.16	83,983.84	44.75 %
RptCategory: 60 - CAPITAL OUTLAY							
100-526-660100	EQUIPMENT REPLACEMENT RESERVES	115,200.00	115,200.00	0.00	0.00	115,200.00	0.00 %
100-526-676050	SYSTEM IMPROVEMENTS & PROJECTS	124,000.00	124,000.00	0.00	0.00	124,000.00	0.00 %
RptCategory: 60 - CAPITAL OUTLAY Total:		239,200.00	239,200.00	0.00	0.00	239,200.00	0.00 %
Department: 526 - PARKS Total:		633,790.00	633,790.00	44,307.75	220,510.53	413,279.47	34.79 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Department: 527 - RECREATION							
RptCategory: 40 - PERSONNEL SERVICES							
100-527-435110	FIELD MAINTENANCE CREW	10,000.00	10,000.00	0.00	2,133.66	7,866.34	21.34 %
100-527-435120	PLAYGROUND AIDES	14,000.00	14,000.00	0.00	12,141.53	1,858.47	86.73 %
100-527-470000	ASSOCIATED PAYROLL COSTS	5,300.00	5,300.00	0.00	2,308.41	2,991.59	43.55 %
RptCategory: 40 - PERSONNEL SERVICES Total:		29,300.00	29,300.00	0.00	16,583.60	12,716.40	56.60 %
RptCategory: 50 - MATERIAL AND SERVICES							
100-527-500460	COMMUNITY SCHOOL CONTRACT	23,500.00	23,500.00	0.00	0.00	23,500.00	0.00 %
100-527-510062	SUMMER PROGRAMS	2,700.00	2,700.00	0.00	1,116.42	1,583.58	41.35 %
100-527-510064	SPECIAL EVENTS	850.00	850.00	0.00	148.17	701.83	17.43 %
100-527-520136	MAINTENANCE & SUPPLIES	700.00	700.00	46.12	278.71	421.29	39.82 %
RptCategory: 50 - MATERIAL AND SERVICES Total:		27,750.00	27,750.00	46.12	1,543.30	26,206.70	5.56 %
Department: 527 - RECREATION Total:		57,050.00	57,050.00	46.12	18,126.90	38,923.10	31.77 %
Department: 528 - SENIOR CENTER							
RptCategory: 40 - PERSONNEL SERVICES							
100-528-435210	SENIOR CENTER MANAGER	74,000.00	74,000.00	5,748.00	34,552.90	39,447.10	46.69 %
100-528-435240	TRAM DRIVER	33,500.00	33,500.00	2,856.56	15,066.48	18,433.52	44.97 %
100-528-435250	NUTRITION CATERER	32,000.00	32,000.00	2,376.69	14,411.85	17,588.15	45.04 %
100-528-435280	CENTER ASSISTANT	42,000.00	42,000.00	3,364.00	20,561.31	21,438.69	48.96 %
100-528-435295	BUILDING MONITOR	7,000.00	7,000.00	93.00	1,294.90	5,705.10	18.50 %
100-528-450500	CAREER RECOGNITION PAY	1,500.00	1,500.00	140.62	716.55	783.45	47.77 %
100-528-470000	ASSOCIATED PAYROLL COSTS	82,500.00	82,500.00	5,738.48	36,517.92	45,982.08	44.26 %
RptCategory: 40 - PERSONNEL SERVICES Total:		272,500.00	272,500.00	20,317.35	123,121.91	149,378.09	45.18 %
RptCategory: 50 - MATERIAL AND SERVICES							
100-528-500210	COMPUTER/TECHNOLOGY SERVICES	425.00	425.00	0.00	99.98	325.02	23.52 %
100-528-510075	NUTRITION PROGRAM SUPPLIES	13,000.00	13,000.00	2,428.55	6,480.78	6,519.22	49.85 %
100-528-520140	TRAM EXPENSES	6,480.00	6,480.00	356.36	3,302.70	3,177.30	50.97 %
100-528-520190	MISCELLANEOUS EQUIPMENT	2,700.00	2,700.00	109.70	142.39	2,557.61	5.27 %
100-528-520200	BLDG MAINTENANCE & SUPPLIES	3,600.00	3,600.00	142.50	2,120.40	1,479.60	58.90 %
100-528-520320	FLEET FUEL, MAINTENANCE & REPAIR	9,500.00	9,500.00	0.00	36.00	9,464.00	0.38 %
100-528-520400	OFFICE SUPPLIES & EQUIPMENT	6,500.00	6,500.00	65.84	1,132.79	5,367.21	17.43 %
100-528-540200	DUES & MEMBERSHIPS	2,400.00	2,400.00	0.00	425.94	1,974.06	17.75 %
100-528-540230	MILEAGE REIMBURSEMENT	100.00	100.00	0.00	0.00	100.00	0.00 %
100-528-560120	TELEPHONES	3,500.00	3,500.00	279.35	1,673.28	1,826.72	47.81 %
RptCategory: 50 - MATERIAL AND SERVICES Total:		48,205.00	48,205.00	3,382.30	15,414.26	32,790.74	31.98 %
RptCategory: 60 - CAPITAL OUTLAY							
100-528-641010	BUILDING REPAIR	13,000.00	13,000.00	0.00	0.00	13,000.00	0.00 %
100-528-641090	PLANTON ESTATE	137,959.00	137,959.00	0.00	0.00	137,959.00	0.00 %
RptCategory: 60 - CAPITAL OUTLAY Total:		150,959.00	150,959.00	0.00	0.00	150,959.00	0.00 %
Department: 528 - SENIOR CENTER Total:		471,664.00	471,664.00	23,699.65	138,536.17	333,127.83	29.37 %
Department: 529 - LIBRARY							
RptCategory: 40 - PERSONNEL SERVICES							
100-529-435320	LIBRARY ASSISTANT II	470,000.00	470,000.00	20,234.82	138,135.24	331,864.76	29.39 %
100-529-435392	ON CALL LIB ASSISTANT	35,900.00	35,900.00	2,943.47	16,553.44	19,346.56	46.11 %
100-529-450500	CAREER RECOGNITION PAY	3,925.00	3,925.00	133.89	756.08	3,168.92	19.26 %
100-529-470000	ASSOCIATED PAYROLL COSTS	126,500.00	126,500.00	10,737.15	72,781.42	53,718.58	57.53 %
RptCategory: 40 - PERSONNEL SERVICES Total:		636,325.00	636,325.00	34,049.33	228,226.18	408,098.82	35.87 %
RptCategory: 50 - MATERIAL AND SERVICES							
100-529-500110	CONTRACTUAL & PROFESSIONAL SER...	74,310.00	74,310.00	0.00	15,958.00	58,352.00	21.47 %
100-529-500210	COMPUTER/TECHNOLOGY SERVICES	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00 %
100-529-510081	NEW BOOKS	115,000.00	115,000.00	4,658.22	38,149.93	76,850.07	33.17 %
100-529-510082	ADULT/CHILDREN'S PROGRAMS	11,000.00	11,000.00	332.50	1,190.78	9,809.22	10.83 %
100-529-510084	READY TO READ GRANT	3,300.00	3,300.00	0.00	511.35	2,788.65	15.50 %
100-529-510086	LIB FOUNDATION FUNDED PROGRAM	6,000.00	6,000.00	0.00	0.00	6,000.00	0.00 %
100-529-510100	MARKETING	1,300.00	1,300.00	0.00	0.00	1,300.00	0.00 %
100-529-520400	OFFICE SUPPLIES & EQUIPMENT	6,800.00	6,800.00	488.33	3,444.23	3,355.77	50.65 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
100-529-530100	RENTALS AND LEASES	12,000.00	12,000.00	671.91	3,495.22	8,504.78	29.13 %
100-529-540200	DUES & MEMBERSHIPS	6,000.00	6,000.00	0.00	0.00	6,000.00	0.00 %
100-529-542000	PUBLICATIONS & SUBSCRIPTIONS	4,100.00	4,100.00	136.00	3,202.67	897.33	78.11 %
100-529-560120	TELEPHONES	950.00	950.00	0.00	0.00	950.00	0.00 %
RptCategory: 50 - MATERIAL AND SERVICES Total:		260,760.00	260,760.00	6,286.96	65,952.18	194,807.82	25.29 %
Department: 529 - LIBRARY Total:		897,085.00	897,085.00	40,336.29	294,178.36	602,906.64	32.79 %
Department: 600 - DEBT SERVICE							
RptCategory: 70 - DEBT SERVICE							
100-600-730040	DEBT SERVICE - INTEREST	0.00	45,250.00	0.00	0.00	45,250.00	0.00 %
RptCategory: 70 - DEBT SERVICE Total:		0.00	45,250.00	0.00	0.00	45,250.00	0.00 %
Department: 600 - DEBT SERVICE Total:		0.00	45,250.00	0.00	0.00	45,250.00	0.00 %
Department: 920 - TRANSFER OUT							
RptCategory: 89 - TRANSFERS OUT							
100-920-899205	TRANSFER OUT TO ROAD & STREET F...	221,175.00	221,175.00	0.00	0.00	221,175.00	0.00 %
100-920-899390	TRANSFER OUT TO URBAN RENEWAL	0.00	3,000,000.00	0.00	3,000,000.00	0.00	100.00 %
RptCategory: 89 - TRANSFERS OUT Total:		221,175.00	3,221,175.00	0.00	3,000,000.00	221,175.00	93.13 %
Department: 920 - TRANSFER OUT Total:		221,175.00	3,221,175.00	0.00	3,000,000.00	221,175.00	93.13 %
Department: 990 - CONTINGENCY							
RptCategory: 90 - OTHER							
100-990-910000	CONTINGENCY FUNDS	400,000.00	400,000.00	0.00	0.00	400,000.00	0.00 %
RptCategory: 90 - OTHER Total:		400,000.00	400,000.00	0.00	0.00	400,000.00	0.00 %
Department: 990 - CONTINGENCY Total:		400,000.00	400,000.00	0.00	0.00	400,000.00	0.00 %
Expense Total:		10,352,506.00	13,397,756.00	546,476.58	6,425,105.93	6,972,650.07	47.96 %
Fund: 100 - GENERAL FUND Surplus (Deficit):		0.00	0.00	504,528.51	1,559,378.02	1,559,378.02	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 205 - ROAD AND STREET FUND							
Revenue							
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL							
RptType: 3000 - BEG FUND BAL.							
205-000-309999	BEGINNING FUND BALANCE	1,807,000.00	1,807,000.00	0.00	0.00	-1,807,000.00	0.00 %
	RptType: 3000 - BEG FUND BAL. Total:	1,807,000.00	1,807,000.00	0.00	0.00	-1,807,000.00	0.00 %
RptType: 3110 - STATE SHARED TAXES							
205-000-310140	STATE HIGHWAY TAXES	750,000.00	750,000.00	81,302.79	377,884.47	-372,115.53	50.38 %
	RptType: 3110 - STATE SHARED TAXES Total:	750,000.00	750,000.00	81,302.79	377,884.47	-372,115.53	50.38 %
RptType: 3141 - SDC							
205-000-314075	TRANSPORTATION SDC'S	10,000.00	10,000.00	0.00	34,808.97	24,808.97	348.09 %
	RptType: 3141 - SDC Total:	10,000.00	10,000.00	0.00	34,808.97	24,808.97	348.09 %
RptType: 3600 - MISCELLANEOUS							
205-000-360000	ALL OTHER ROAD/STREET RECEIPTS	30,000.00	30,000.00	1,880.00	9,052.50	-20,947.50	30.18 %
	RptType: 3600 - MISCELLANEOUS Total:	30,000.00	30,000.00	1,880.00	9,052.50	-20,947.50	30.18 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	2,597,000.00	2,597,000.00	83,182.79	421,745.94	-2,175,254.06	16.24 %
Department: 910 - TRANSFER IN							
RptType: 3990 - TRANSFERS IN							
205-910-399100	TRANSFER IN FROM GENERAL FUND	221,175.00	221,175.00	0.00	0.00	-221,175.00	0.00 %
205-910-399730	TRANSFER IN FROM SEWER FUND	113,650.00	113,650.00	0.00	0.00	-113,650.00	0.00 %
205-910-399740	TRANSFER IN FROM WATER FUND	72,125.00	72,125.00	0.00	0.00	-72,125.00	0.00 %
205-910-399750	TRANSFER IN FROM STORM WATER	37,500.00	37,500.00	0.00	0.00	-37,500.00	0.00 %
	RptType: 3990 - TRANSFERS IN Total:	444,450.00	444,450.00	0.00	0.00	-444,450.00	0.00 %
	Department: 910 - TRANSFER IN Total:	444,450.00	444,450.00	0.00	0.00	-444,450.00	0.00 %
	Revenue Total:	3,041,450.00	3,041,450.00	83,182.79	421,745.94	-2,619,704.06	13.87 %
Expense							
Department: 305 - ROAD AND STREET							
RptCategory: 40 - PERSONNEL SERVICES							
205-305-437049	PUBLIC WORKS DIRECTOR	21,500.00	21,500.00	1,887.00	10,876.00	10,624.00	50.59 %
205-305-437050	PUBLIC WORKS SUPERVISOR	35,050.00	35,050.00	3,122.75	18,318.89	16,731.11	52.27 %
205-305-437055	PW ADMIN ASSISTANT	5,150.00	5,150.00	702.60	4,659.92	490.08	90.48 %
205-305-437070	UTILITY WORKER, JOURNEY	115,000.00	115,000.00	8,949.60	55,886.74	59,113.26	48.60 %
205-305-439011	SEASONAL HELP	30,000.00	30,000.00	0.00	5,130.00	24,870.00	17.10 %
205-305-450100	OVERTIME	6,000.00	6,000.00	88.46	1,615.28	4,384.72	26.92 %
205-305-450500	CAREER RECOGNITION PAY	610.00	610.00	50.44	320.32	289.68	52.51 %
205-305-470000	ASSOCIATED PAYROLL COSTS	92,000.00	92,000.00	9,324.20	58,382.57	33,617.43	63.46 %
	RptCategory: 40 - PERSONNEL SERVICES Total:	305,310.00	305,310.00	24,125.05	155,189.72	150,120.28	50.83 %
RptCategory: 50 - MATERIAL AND SERVICES							
205-305-500110	CONTRACTUAL & PROFESSIONAL SER...	60,000.00	60,000.00	73.88	10,424.87	49,575.13	17.37 %
205-305-520130	OPERATIONS, MAINTENANCE & REPA...	485,000.00	485,000.00	521.69	68,968.87	416,031.13	14.22 %
205-305-520172	STREET LIGHT MAINTENANCE	78,000.00	78,000.00	5,971.06	35,973.95	42,026.05	46.12 %
205-305-520176	TRAFFIC SIGNAL MAINTENANCE	41,000.00	41,000.00	75.35	-399.31	41,399.31	-0.97 %
205-305-520178	STREET SIGN MAINTENANCE	35,000.00	35,000.00	4,207.15	10,128.30	24,871.70	28.94 %
205-305-520195	50/50 SIDEWALK REPAIR COST SHARE	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00 %
205-305-520320	FLEET FUEL, MAINTENANCE & REPAIR	85,000.00	85,000.00	1,333.20	8,345.03	76,654.97	9.82 %
205-305-520400	OFFICE SUPPLIES & EQUIPMENT	2,700.00	2,700.00	194.73	604.44	2,095.56	22.39 %
205-305-540220	TRAVEL, CONFERENCES & TRAINING	4,800.00	4,800.00	0.00	300.60	4,499.40	6.26 %
205-305-540300	SMALL TOOLS, EQUIPMENT & SAFETY...	39,000.00	39,000.00	89.17	1,005.00	37,995.00	2.58 %
205-305-540400	DUMPING, HAULING, GARBAGE	32,000.00	32,000.00	0.00	125.00	31,875.00	0.39 %
205-305-560100	UTILITIES	2,000.00	2,000.00	51.67	258.16	1,741.84	12.91 %
	RptCategory: 50 - MATERIAL AND SERVICES Total:	884,500.00	884,500.00	12,517.90	135,734.91	748,765.09	15.35 %
RptCategory: 60 - CAPITAL OUTLAY							
205-305-660100	EQUIPMENT REPLACEMENT RESERVES	425,000.00	425,000.00	0.00	0.00	425,000.00	0.00 %
205-305-675054	NEW STREET LIGHTS	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00 %
205-305-675056	BIKEWAY & SIDEWALK IMPROVEMENT	57,000.00	57,000.00	0.00	0.00	57,000.00	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
205-305-676050	SYSTEM IMPROVEMENTS & PROJECTS	756,000.00	756,000.00	0.00	0.00	756,000.00	0.00 %
205-305-678090	RESERVE FROM SDC'S	327,535.00	327,535.00	0.00	0.00	327,535.00	0.00 %
	RptCategory: 60 - CAPITAL OUTLAY Total:	1,585,535.00	1,585,535.00	0.00	0.00	1,585,535.00	0.00 %
	Department: 305 - ROAD AND STREET Total:	2,775,345.00	2,775,345.00	36,642.95	290,924.63	2,484,420.37	10.48 %
	Department: 920 - TRANSFER OUT						
	RptCategory: 89 - TRANSFERS OUT						
205-920-899100	TRANSFER OUT TO GENERAL FUND	66,105.00	66,105.00	0.00	0.00	66,105.00	0.00 %
	RptCategory: 89 - TRANSFERS OUT Total:	66,105.00	66,105.00	0.00	0.00	66,105.00	0.00 %
	Department: 920 - TRANSFER OUT Total:	66,105.00	66,105.00	0.00	0.00	66,105.00	0.00 %
	Department: 990 - CONTINGENCY						
	RptCategory: 90 - OTHER						
205-990-910000	CONTINGENCY FUNDS	200,000.00	200,000.00	0.00	0.00	200,000.00	0.00 %
	RptCategory: 90 - OTHER Total:	200,000.00	200,000.00	0.00	0.00	200,000.00	0.00 %
	Department: 990 - CONTINGENCY Total:	200,000.00	200,000.00	0.00	0.00	200,000.00	0.00 %
	Expense Total:	3,041,450.00	3,041,450.00	36,642.95	290,924.63	2,750,525.37	9.57 %
	Fund: 205 - ROAD AND STREET FUND Surplus (Deficit):	0.00	0.00	46,539.84	130,821.31	130,821.31	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 228 - POLICE LEVY FUND							
Revenue							
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL							
RptType: 3000 - BEG FUND BAL.							
228-000-309999	BEGINNING FUND BALANCE	444,340.00	444,340.00	0.00	0.00	-444,340.00	0.00 %
	RptType: 3000 - BEG FUND BAL. Total:	444,340.00	444,340.00	0.00	0.00	-444,340.00	0.00 %
RptType: 3100 - LOCAL TAXES							
228-000-310020	CURRENT LEVY TAX	637,825.00	637,825.00	124,447.12	546,372.05	-91,452.95	85.66 %
228-000-310050	PRIOR YEAR TAXES	30,000.00	30,000.00	335.09	2,440.18	-27,559.82	8.13 %
	RptType: 3100 - LOCAL TAXES Total:	667,825.00	667,825.00	124,782.21	548,812.23	-119,012.77	82.18 %
RptType: 3301 - INTEREST							
228-000-330100	INTEREST	4,000.00	4,000.00	967.47	2,035.55	-1,964.45	50.89 %
	RptType: 3301 - INTEREST Total:	4,000.00	4,000.00	967.47	2,035.55	-1,964.45	50.89 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	1,116,165.00	1,116,165.00	125,749.68	550,847.78	-565,317.22	49.35 %
	Revenue Total:	1,116,165.00	1,116,165.00	125,749.68	550,847.78	-565,317.22	49.35 %
Expense							
Department: 245 - POLICE LEVY							
RptCategory: 40 - PERSONNEL SERVICES							
228-245-432160	POLICE OFFICER	129,000.00	129,000.00	6,011.44	36,082.01	92,917.99	27.97 %
228-245-432165	SCHOOL RESOURCE OFFICER	64,000.00	64,000.00	5,925.95	35,822.41	28,177.59	55.97 %
228-245-432180	MUNICIPAL ORDINANCE SPECIALIST	47,000.00	47,000.00	4,684.00	29,428.16	17,571.84	62.61 %
228-245-432192	ON CALL POLICE RECORDS CLERK	10,000.00	10,000.00	0.00	0.00	10,000.00	0.00 %
228-245-432195	EXECUTIVE ASSISTANT	60,000.00	60,000.00	0.00	18,810.84	41,189.16	31.35 %
228-245-450100	OVERTIME	26,800.00	26,800.00	2,245.83	15,889.21	10,910.79	59.29 %
228-245-450200	HOLIDAY PAY	3,200.00	3,200.00	162.44	584.78	2,615.22	18.27 %
228-245-450300	PROFICIENCY PAY	16,875.00	16,875.00	844.66	5,044.92	11,830.08	29.90 %
228-245-450500	CAREER RECOGNITION PAY	600.00	600.00	117.10	771.16	-171.16	128.53 %
228-245-450600	UNIFORM ALLOWANCE	3,000.00	3,000.00	0.00	1,000.00	2,000.00	33.33 %
228-245-470000	ASSOCIATED PAYROLL COSTS	311,000.00	311,000.00	12,864.43	80,941.39	230,058.61	26.03 %
	RptCategory: 40 - PERSONNEL SERVICES Total:	671,475.00	671,475.00	32,855.85	224,374.88	447,100.12	33.42 %
RptCategory: 50 - MATERIAL AND SERVICES							
228-245-500498	SHARE COST CCOM DISPATCH	132,000.00	132,000.00	11,009.08	66,054.48	65,945.52	50.04 %
228-245-510032	SRO EXPENSES	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00 %
228-245-510040	K-9 EXPENSES	0.00	0.00	0.00	194.67	-194.67	0.00 %
228-245-520310	MAINTENANCE, REPAIR & OPERATION	3,000.00	3,000.00	0.00	0.00	3,000.00	0.00 %
	RptCategory: 50 - MATERIAL AND SERVICES Total:	137,000.00	137,000.00	11,009.08	66,249.15	70,750.85	48.36 %
	Department: 245 - POLICE LEVY Total:	808,475.00	808,475.00	43,864.93	290,624.03	517,850.97	35.95 %
Department: 920 - TRANSFER OUT							
RptCategory: 89 - TRANSFERS OUT							
228-920-899100	TRANSFER OUT TO GENERAL FUND	14,990.00	14,990.00	0.00	0.00	14,990.00	0.00 %
	RptCategory: 89 - TRANSFERS OUT Total:	14,990.00	14,990.00	0.00	0.00	14,990.00	0.00 %
	Department: 920 - TRANSFER OUT Total:	14,990.00	14,990.00	0.00	0.00	14,990.00	0.00 %
Department: 990 - CONTINGENCY							
RptCategory: 90 - OTHER							
228-990-910000	CONTINGENCY FUNDS	292,700.00	292,700.00	0.00	0.00	292,700.00	0.00 %
	RptCategory: 90 - OTHER Total:	292,700.00	292,700.00	0.00	0.00	292,700.00	0.00 %
	Department: 990 - CONTINGENCY Total:	292,700.00	292,700.00	0.00	0.00	292,700.00	0.00 %
	Expense Total:	1,116,165.00	1,116,165.00	43,864.93	290,624.03	825,540.97	26.04 %
	Fund: 228 - POLICE LEVY FUND Surplus (Deficit):	0.00	0.00	81,884.75	260,223.75	260,223.75	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 229 - FIRE LEVY FUND							
Revenue							
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL							
RptType: 3000 - BEG FUND BAL.							
229-000-309999	BEGINNING FUND BALANCE	412,800.00	412,800.00	0.00	0.00	-412,800.00	0.00 %
	RptType: 3000 - BEG FUND BAL. Total:	412,800.00	412,800.00	0.00	0.00	-412,800.00	0.00 %
RptType: 3100 - LOCAL TAXES							
229-000-310020	CURRENT LEVY TAX	274,520.00	274,520.00	56,750.44	249,156.86	-25,363.14	90.76 %
229-000-310050	PRIOR YEAR TAXES	7,000.00	7,000.00	152.81	1,112.77	-5,887.23	15.90 %
	RptType: 3100 - LOCAL TAXES Total:	281,520.00	281,520.00	56,903.25	250,269.63	-31,250.37	88.90 %
RptType: 3301 - INTEREST							
229-000-330100	INTEREST	4,500.00	4,500.00	1,255.60	5,205.56	705.56	115.68 %
	RptType: 3301 - INTEREST Total:	4,500.00	4,500.00	1,255.60	5,205.56	705.56	115.68 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	698,820.00	698,820.00	58,158.85	255,475.19	-443,344.81	36.56 %
	Revenue Total:	698,820.00	698,820.00	58,158.85	255,475.19	-443,344.81	36.56 %
Expense							
Department: 255 - FIRE LEVY							
RptCategory: 40 - PERSONNEL SERVICES							
229-255-432230	TRAINING CAPTAIN	84,720.00	84,720.00	5,109.00	44,242.53	40,477.47	52.22 %
229-255-439010	PART TIME	50,000.00	50,000.00	1,675.21	10,363.56	39,636.44	20.73 %
229-255-439011	SEASONAL HELP	10,000.00	10,000.00	0.00	10,190.78	-190.78	101.91 %
229-255-470000	ASSOCIATED PAYROLL COSTS	73,000.00	73,000.00	5,037.87	30,994.79	42,005.21	42.46 %
	RptCategory: 40 - PERSONNEL SERVICES Total:	217,720.00	217,720.00	11,822.08	95,791.66	121,928.34	44.00 %
RptCategory: 50 - MATERIAL AND SERVICES							
229-255-500110	CONTRACTUAL & PROFESSIONAL SER...	3,600.00	3,600.00	750.00	3,220.54	379.46	89.46 %
229-255-520365	EQUIPMENT TESTING & SERVICE	15,200.00	15,200.00	0.00	4,791.00	10,409.00	31.52 %
229-255-520400	OFFICE SUPPLIES & EQUIPMENT	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00 %
	RptCategory: 50 - MATERIAL AND SERVICES Total:	38,800.00	38,800.00	750.00	8,011.54	30,788.46	20.65 %
RptCategory: 60 - CAPITAL OUTLAY							
229-255-641030	TRAINING FACILITY	78,000.00	78,000.00	0.00	0.00	78,000.00	0.00 %
229-255-660116	FIRE APPARATUS	300,000.00	300,000.00	0.00	0.00	300,000.00	0.00 %
229-255-660120	FIRE, EMS & EXTRICATION EQUIPME...	41,000.00	41,000.00	0.00	20,877.60	20,122.40	50.92 %
	RptCategory: 60 - CAPITAL OUTLAY Total:	419,000.00	419,000.00	0.00	20,877.60	398,122.40	4.98 %
	Department: 255 - FIRE LEVY Total:	675,520.00	675,520.00	12,572.08	124,680.80	550,839.20	18.46 %
Department: 920 - TRANSFER OUT							
RptCategory: 89 - TRANSFERS OUT							
229-920-899100	TRANSFER OUT TO GENERAL FUND	6,300.00	6,300.00	0.00	0.00	6,300.00	0.00 %
	RptCategory: 89 - TRANSFERS OUT Total:	6,300.00	6,300.00	0.00	0.00	6,300.00	0.00 %
	Department: 920 - TRANSFER OUT Total:	6,300.00	6,300.00	0.00	0.00	6,300.00	0.00 %
Department: 990 - CONTINGENCY							
RptCategory: 90 - OTHER							
229-990-910000	CONTINGENCY FUNDS	17,000.00	17,000.00	0.00	0.00	17,000.00	0.00 %
	RptCategory: 90 - OTHER Total:	17,000.00	17,000.00	0.00	0.00	17,000.00	0.00 %
	Department: 990 - CONTINGENCY Total:	17,000.00	17,000.00	0.00	0.00	17,000.00	0.00 %
	Expense Total:	698,820.00	698,820.00	12,572.08	124,680.80	574,139.20	17.84 %
	Fund: 229 - FIRE LEVY FUND Surplus (Deficit):	0.00	0.00	45,586.77	130,794.39	130,794.39	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 306 - LIBRARY CAPITAL FUND							
Revenue							
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL							
RptType: 3101 - DNU							
306-000-310130	LIBRARY CONTR FROM COUNTY	2,600,000.00	2,600,000.00	0.00	0.00	-2,600,000.00	0.00 %
	RptType: 3101 - DNU Total:	2,600,000.00	2,600,000.00	0.00	0.00	-2,600,000.00	0.00 %
RptType: 3160 - DEBT SERVICE PROCEEDS							
306-000-316000	DEBT SERVICE PROCEEDS	2,700,000.00	2,700,000.00	0.00	0.00	-2,700,000.00	0.00 %
	RptType: 3160 - DEBT SERVICE PROCEEDS Total:	2,700,000.00	2,700,000.00	0.00	0.00	-2,700,000.00	0.00 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	5,300,000.00	5,300,000.00	0.00	0.00	-5,300,000.00	0.00 %
	Revenue Total:	5,300,000.00	5,300,000.00	0.00	0.00	-5,300,000.00	0.00 %
Expense							
Department: 529 - LIBRARY							
RptCategory: 50 - MATERIAL AND SERVICES							
306-529-500110	CONTRACTUAL & PROFESSIONAL SER...	650,000.00	650,000.00	0.00	0.00	650,000.00	0.00 %
	RptCategory: 50 - MATERIAL AND SERVICES Total:	650,000.00	650,000.00	0.00	0.00	650,000.00	0.00 %
RptCategory: 60 - CAPITAL OUTLAY							
306-529-620000	CONSTRUCTION	2,400,000.00	2,400,000.00	0.00	0.00	2,400,000.00	0.00 %
306-529-660000	FURNISHINGS & EQUIPMENT	500,000.00	500,000.00	0.00	0.00	500,000.00	0.00 %
306-529-670000	INFRASTRUCTURE	500,000.00	500,000.00	0.00	0.00	500,000.00	0.00 %
	RptCategory: 60 - CAPITAL OUTLAY Total:	3,400,000.00	3,400,000.00	0.00	0.00	3,400,000.00	0.00 %
	Department: 529 - LIBRARY Total:	4,050,000.00	4,050,000.00	0.00	0.00	4,050,000.00	0.00 %
Department: 990 - CONTINGENCY							
RptCategory: 90 - OTHER							
306-990-910000	CONTINGENCY FUNDS	1,250,000.00	1,250,000.00	0.00	0.00	1,250,000.00	0.00 %
	RptCategory: 90 - OTHER Total:	1,250,000.00	1,250,000.00	0.00	0.00	1,250,000.00	0.00 %
	Department: 990 - CONTINGENCY Total:	1,250,000.00	1,250,000.00	0.00	0.00	1,250,000.00	0.00 %
	Expense Total:	5,300,000.00	5,300,000.00	0.00	0.00	5,300,000.00	0.00 %
	Fund: 306 - LIBRARY CAPITAL FUND Surplus (Deficit):	0.00	0.00	0.00	0.00	0.00	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 307 - CIVIC BUILDINGS CAPITAL FUND (NEW)						
Revenue						
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL						
RptType: 3000 - BEG FUND BAL.						
307-000-309999	BEGINNING FUND BALANCE	0.00	37,658.00	0.00	0.00	-37,658.00 0.00 %
	RptType: 3000 - BEG FUND BAL. Total:	0.00	37,658.00	0.00	0.00	-37,658.00 0.00 %
RptType: 3160 - DEBT SERVICE PROCEEDS						
307-000-316000	DEBT SERVICE PROCEEDS	5,200,000.00	0.00	0.00	0.00	0.00 0.00 %
	RptType: 3160 - DEBT SERVICE PROCEEDS Total:	5,200,000.00	0.00	0.00	0.00	0.00 0.00 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	5,200,000.00	37,658.00	0.00	0.00	-37,658.00 0.00 %
Department: 910 - TRANSFER IN						
RptType: 3990 - TRANSFERS IN						
307-910-399390	TRANSFER IN FROM URBAN RENEWAL	4,640,000.00	13,248,600.00	0.00	197,044.03	-13,051,555.97 1.49 %
	RptType: 3990 - TRANSFERS IN Total:	4,640,000.00	13,248,600.00	0.00	197,044.03	-13,051,555.97 1.49 %
	Department: 910 - TRANSFER IN Total:	4,640,000.00	13,248,600.00	0.00	197,044.03	-13,051,555.97 1.49 %
	Revenue Total:	9,840,000.00	13,286,258.00	0.00	197,044.03	-13,089,213.97 1.48 %
Expense						
Department: 307 - CIVIC CENTER PROJECT						
RptCategory: 50 - MATERIAL AND SERVICES						
307-307-620310	D/B SELECTION PM	0.00	6,442.00	0.00	0.00	6,442.00 0.00 %
307-307-620320	PROJECT MGMT-OWNERS REP	0.00	181,047.00	0.00	11,318.05	169,728.95 6.25 %
307-307-620325	OTHER PROF. SERVICES	0.00	10,000.00	0.00	97.50	9,902.50 0.98 %
307-307-620330	PROJECT LEGAL COSTS	0.00	11,561.00	1,732.50	1,957.50	9,603.50 16.93 %
307-307-620360	FINANCE CONSULTING	0.00	20,000.00	0.00	0.00	20,000.00 0.00 %
	RptCategory: 50 - MATERIAL AND SERVICES Total:	0.00	229,050.00	1,732.50	13,373.05	215,676.95 5.84 %
RptCategory: 60 - CAPITAL OUTLAY						
307-307-620100	CONSTRUCTION - PHASE 1	0.00	395,222.00	0.00	235,592.50	159,629.50 59.61 %
307-307-620110	CONSTRUCTION - PHASE 2	0.00	11,548,428.00	0.00	0.00	11,548,428.00 0.00 %
307-307-620340	TESTING & SPECIAL INSP.	0.00	60,000.00	0.00	0.00	60,000.00 0.00 %
307-307-620365	LAND ACQUISITION/SITE PREP	0.00	958.00	0.00	0.00	958.00 0.00 %
307-307-620370	ADD ALTERNATES	0.00	775,000.00	0.00	-2,500.00	777,500.00 -0.32 %
	RptCategory: 60 - CAPITAL OUTLAY Total:	0.00	12,779,608.00	0.00	233,092.50	12,546,515.50 1.82 %
RptCategory: 70 - DEBT SERVICE						
307-307-740040	OFU-ISSUANCE COSTS	0.00	128,600.00	0.00	132,806.59	-4,206.59 103.27 %
	RptCategory: 70 - DEBT SERVICE Total:	0.00	128,600.00	0.00	132,806.59	-4,206.59 103.27 %
RptCategory: 90 - OTHER						
307-307-620390	PROJECT CONTINGENCY	0.00	149,000.00	0.00	0.00	149,000.00 0.00 %
	RptCategory: 90 - OTHER Total:	0.00	149,000.00	0.00	0.00	149,000.00 0.00 %
	Department: 307 - CIVIC CENTER PROJECT Total:	0.00	13,286,258.00	1,732.50	379,272.14	12,906,985.86 2.85 %
	Expense Total:	0.00	13,286,258.00	1,732.50	379,272.14	12,906,985.86 2.85 %
	Fund: 307 - CIVIC BUILDINGS CAPITAL FUND (NEW) Surplus (Deficit):	9,840,000.00	0.00	-1,732.50	-182,228.11	-182,228.11 0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 390 - URBAN RENEWAL FUND							
Revenue							
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL							
RptType: 3000 - BEG FUND BAL.							
390-000-309999	BEGINNING FUND BALANCE	7,391,000.00	7,391,000.00	0.00	0.00	-7,391,000.00	0.00 %
	RptType: 3000 - BEG FUND BAL. Total:	7,391,000.00	7,391,000.00	0.00	0.00	-7,391,000.00	0.00 %
RptType: 3100 - LOCAL TAXES							
390-000-310010	CURRENT YEAR TAXES	726,000.00	726,000.00	197,104.50	865,348.31	139,348.31	119.19 %
390-000-310050	PRIOR YEAR TAXES	26,000.00	26,000.00	524.24	3,820.03	-22,179.97	14.69 %
	RptType: 3100 - LOCAL TAXES Total:	752,000.00	752,000.00	197,628.74	869,168.34	117,168.34	115.58 %
RptType: 3160 - DEBT SERVICE PROCEEDS							
390-000-381000	OFS-DEBT PROCEEDS	0.00	3,800,000.00	0.00	3,800,000.00	0.00	100.00 %
	RptType: 3160 - DEBT SERVICE PROCEEDS Total:	0.00	3,800,000.00	0.00	3,800,000.00	0.00	100.00 %
RptType: 3301 - INTEREST							
390-000-330100	INTEREST	20,000.00	20,000.00	32,425.26	155,288.78	135,288.78	776.44 %
	RptType: 3301 - INTEREST Total:	20,000.00	20,000.00	32,425.26	155,288.78	135,288.78	776.44 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	8,163,000.00	11,963,000.00	230,054.00	4,824,457.12	-7,138,542.88	40.33 %
Department: 910 - TRANSFER IN							
RptType: 3990 - TRANSFERS IN							
390-910-399100	TRANSFER IN FROM GENERAL FUND	0.00	3,000,000.00	0.00	3,000,000.00	0.00	100.00 %
	RptType: 3990 - TRANSFERS IN Total:	0.00	3,000,000.00	0.00	3,000,000.00	0.00	100.00 %
	Department: 910 - TRANSFER IN Total:	0.00	3,000,000.00	0.00	3,000,000.00	0.00	100.00 %
	Revenue Total:	8,163,000.00	14,963,000.00	230,054.00	7,824,457.12	-7,138,542.88	52.29 %
Expense							
Department: 410 - URBAN RENEWAL							
RptCategory: 50 - MATERIAL AND SERVICES							
390-410-500110	CONTRACTUAL & PROFESSIONAL SER...	59,000.00	100.00	67.50	105.56	-5.56	105.56 %
390-410-500120	MUNICIPAL AUDIT CONTRACT	10,000.00	10,000.00	0.00	0.00	10,000.00	0.00 %
390-410-530000	FIRE & LIABILITY INSURANCE	15,000.00	15,000.00	0.00	0.00	15,000.00	0.00 %
	RptCategory: 50 - MATERIAL AND SERVICES Total:	84,000.00	25,100.00	67.50	105.56	24,994.44	0.42 %
RptCategory: 70 - DEBT SERVICE							
390-410-730040	DEBT SERVICE - INTEREST	0.00	57,126.00	0.00	0.00	57,126.00	0.00 %
	RptCategory: 70 - DEBT SERVICE Total:	0.00	57,126.00	0.00	0.00	57,126.00	0.00 %
RptCategory: 89 - TRANSFERS OUT							
390-410-899100	TRANSFER OUT TO GENERAL FUND	0.00	45,250.00	0.00	0.00	45,250.00	0.00 %
	RptCategory: 89 - TRANSFERS OUT Total:	0.00	45,250.00	0.00	0.00	45,250.00	0.00 %
	Department: 410 - URBAN RENEWAL Total:	84,000.00	127,476.00	67.50	105.56	127,370.44	0.08 %
Department: 920 - TRANSFER OUT							
RptCategory: 89 - TRANSFERS OUT							
390-920-899307	TRANSFER OUT TO CIVIC BUILDINGS ...	4,820,000.00	13,248,600.00	0.00	197,044.03	13,051,555.97	1.49 %
	RptCategory: 89 - TRANSFERS OUT Total:	4,820,000.00	13,248,600.00	0.00	197,044.03	13,051,555.97	1.49 %
	Department: 920 - TRANSFER OUT Total:	4,820,000.00	13,248,600.00	0.00	197,044.03	13,051,555.97	1.49 %
Department: 990 - CONTINGENCY							
RptCategory: 90 - OTHER							
390-990-910000	CONTINGENCY FUNDS	2,824,000.00	1,586,924.00	0.00	0.00	1,586,924.00	0.00 %
	RptCategory: 90 - OTHER Total:	2,824,000.00	1,586,924.00	0.00	0.00	1,586,924.00	0.00 %
	Department: 990 - CONTINGENCY Total:	2,824,000.00	1,586,924.00	0.00	0.00	1,586,924.00	0.00 %
	Expense Total:	7,728,000.00	14,963,000.00	67.50	197,149.59	14,765,850.41	1.32 %
	Fund: 390 - URBAN RENEWAL FUND Surplus (Deficit):	435,000.00	0.00	229,986.50	7,627,307.53	7,627,307.53	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 730 - SEWER FUND							
Revenue							
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL							
RptType: 3000 - BEG FUND BAL.							
730-000-309999	BEGINNING FUND BALANCE	2,011,995.00	2,011,995.00	0.00	0.00	-2,011,995.00	0.00 %
	RptType: 3000 - BEG FUND BAL. Total:	2,011,995.00	2,011,995.00	0.00	0.00	-2,011,995.00	0.00 %
RptType: 3140 - CHARGES FOR SERVICES							
730-000-314050	OAK LODGE SANITARY	538,000.00	538,000.00	50,561.67	314,483.11	-223,516.89	58.45 %
730-000-314055	TRI-CITY SERVICE DISTRICT	1,695,000.00	1,695,000.00	145,457.41	1,060,504.15	-634,495.85	62.57 %
730-000-314080	CONNECTION FEES	25,000.00	25,000.00	0.00	5,219.00	-19,781.00	20.88 %
	RptType: 3140 - CHARGES FOR SERVICES Total:	2,258,000.00	2,258,000.00	196,019.08	1,380,206.26	-877,793.74	61.13 %
RptType: 3141 - SDC							
730-000-314110	SEWER SDC'S (13%)	5,000.00	5,000.00	0.00	13,988.09	8,988.09	279.76 %
	RptType: 3141 - SDC Total:	5,000.00	5,000.00	0.00	13,988.09	8,988.09	279.76 %
RptType: 3600 - MISCELLANEOUS							
730-000-360000	ALL OTHER SEWER RECEIPTS	10,000.00	10,000.00	100.00	685.00	-9,315.00	6.85 %
	RptType: 3600 - MISCELLANEOUS Total:	10,000.00	10,000.00	100.00	685.00	-9,315.00	6.85 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	4,284,995.00	4,284,995.00	196,119.08	1,394,879.35	-2,890,115.65	32.55 %
	Revenue Total:	4,284,995.00	4,284,995.00	196,119.08	1,394,879.35	-2,890,115.65	32.55 %
Expense							
Department: 703 - SEWER							
RptCategory: 40 - PERSONNEL SERVICES							
730-703-431500	ACCOUNTING CLERK	13,900.00	13,900.00	1,202.75	7,216.50	6,683.50	51.92 %
730-703-437049	PUBLIC WORKS DIRECTOR	21,500.00	21,500.00	1,887.00	10,876.00	10,624.00	50.59 %
730-703-437050	PUBLIC WORKS SUPERVISOR	30,000.00	30,000.00	2,290.01	13,843.32	16,156.68	46.14 %
730-703-437055	PW ADMIN ASSISTANT	7,500.00	7,500.00	702.60	4,659.92	2,840.08	62.13 %
730-703-437070	UTILITY WORKER, JOURNEY	84,000.00	84,000.00	7,469.41	44,168.99	39,831.01	52.58 %
730-703-439011	SEASONAL HELP	15,000.00	15,000.00	0.00	5,400.00	9,600.00	36.00 %
730-703-450100	OVERTIME	5,200.00	5,200.00	139.31	1,568.02	3,631.98	30.15 %
730-703-450500	CAREER RECOGNITION PAY	3,500.00	3,500.00	200.60	1,193.69	2,306.31	34.11 %
730-703-470000	ASSOCIATED PAYROLL COSTS	125,000.00	125,000.00	6,486.80	38,765.77	86,234.23	31.01 %
	RptCategory: 40 - PERSONNEL SERVICES Total:	305,600.00	305,600.00	20,378.48	127,692.21	177,907.79	41.78 %
RptCategory: 50 - MATERIAL AND SERVICES							
730-703-500110	CONTRACTUAL & PROFESSIONAL SER...	33,000.00	33,000.00	96.98	8,403.60	24,596.40	25.47 %
730-703-500452	SDC PASS THROUGH TO TCSD	20,625.00	20,625.00	0.00	5,584.00	15,041.00	27.07 %
730-703-500456	OAK LODGE SANITARY DISTRICT	520,000.00	520,000.00	84,262.05	252,681.74	267,318.26	48.59 %
730-703-500458	TRI-CITY SERVICE DISTRICT	1,160,000.00	1,160,000.00	198,776.49	612,993.48	547,006.52	52.84 %
730-703-520130	OPERATIONS, MAINTENANCE & REPA...	65,000.00	65,000.00	5,292.68	23,249.82	41,750.18	35.77 %
730-703-520320	FLEET FUEL, MAINTENANCE & REPAIR	85,000.00	85,000.00	890.36	6,957.37	78,042.63	8.19 %
730-703-520400	OFFICE SUPPLIES & EQUIPMENT	3,500.00	3,500.00	387.52	1,441.70	2,058.30	41.19 %
730-703-520430	UTILITY BILLS & POSTAGE	8,000.00	8,000.00	607.89	3,937.20	4,062.80	49.22 %
730-703-540220	TRAVEL, CONFERENCES & TRAINING	6,000.00	6,000.00	0.00	461.12	5,538.88	7.69 %
730-703-540300	SMALL TOOLS, EQUIPMENT & SAFETY...	16,500.00	16,500.00	2,411.52	7,136.54	9,363.46	43.25 %
730-703-540400	DUMPING, HAULING, GARBAGE	20,000.00	20,000.00	0.00	50.00	19,950.00	0.25 %
730-703-560100	UTILITIES	2,500.00	2,500.00	107.71	543.58	1,956.42	21.74 %
	RptCategory: 50 - MATERIAL AND SERVICES Total:	1,940,125.00	1,940,125.00	292,833.20	923,440.15	1,016,684.85	47.60 %
RptCategory: 60 - CAPITAL OUTLAY							
730-703-660100	EQUIPMENT REPLACEMENT RESERVES	679,000.00	679,000.00	0.00	0.00	679,000.00	0.00 %
730-703-676050	SYSTEM IMPROVEMENTS & PROJECTS	818,000.00	818,000.00	0.00	0.00	818,000.00	0.00 %
730-703-678090	RESERVE FROM SDC'S	0.00	0.00	0.00	15,000.00	-15,000.00	0.00 %
	RptCategory: 60 - CAPITAL OUTLAY Total:	1,497,000.00	1,497,000.00	0.00	15,000.00	1,482,000.00	1.00 %
	Department: 703 - SEWER Total:	3,742,725.00	3,742,725.00	313,211.68	1,066,132.36	2,676,592.64	28.49 %
Department: 920 - TRANSFER OUT							
RptCategory: 89 - TRANSFERS OUT							
730-920-899100	TRANSFER OUT TO GENERAL FUND	28,620.00	28,620.00	0.00	0.00	28,620.00	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
730-920-899205	TRANSFER OUT TO ROAD & STREET F...	113,650.00	113,650.00	0.00	0.00	113,650.00	0.00 %
	RptCategory: 89 - TRANSFERS OUT Total:	142,270.00	142,270.00	0.00	0.00	142,270.00	0.00 %
	Department: 920 - TRANSFER OUT Total:	142,270.00	142,270.00	0.00	0.00	142,270.00	0.00 %
	Department: 990 - CONTINGENCY						
	RptCategory: 90 - OTHER						
730-990-910000	CONTINGENCY FUNDS	400,000.00	400,000.00	0.00	0.00	400,000.00	0.00 %
	RptCategory: 90 - OTHER Total:	400,000.00	400,000.00	0.00	0.00	400,000.00	0.00 %
	Department: 990 - CONTINGENCY Total:	400,000.00	400,000.00	0.00	0.00	400,000.00	0.00 %
	Expense Total:	4,284,995.00	4,284,995.00	313,211.68	1,066,132.36	3,218,862.64	24.88 %
	Fund: 730 - SEWER FUND Surplus (Deficit):	0.00	0.00	-117,092.60	328,746.99	328,746.99	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 740 - WATER FUND							
Revenue							
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL							
RptType: 3000 - BEG FUND BAL.							
740-000-309999	BEGINNING FUND BALANCE	1,943,432.00	1,943,432.00	0.00	0.00	-1,943,432.00	0.00 %
	RptType: 3000 - BEG FUND BAL. Total:	1,943,432.00	1,943,432.00	0.00	0.00	-1,943,432.00	0.00 %
RptType: 3140 - CHARGES FOR SERVICES							
740-000-314060	WATER SERVICE REVENUE	1,373,000.00	1,373,000.00	115,067.34	949,270.75	-423,729.25	69.14 %
740-000-314080	WATER SERVICE CONNECTIONS	12,000.00	12,000.00	0.00	5,590.00	-6,410.00	46.58 %
	RptType: 3140 - CHARGES FOR SERVICES Total:	1,385,000.00	1,385,000.00	115,067.34	954,860.75	-430,139.25	68.94 %
RptType: 3141 - SDC							
740-000-314110	WATER SDC'S (87%)	20,000.00	20,000.00	0.00	19,993.16	-6.84	99.97 %
	RptType: 3141 - SDC Total:	20,000.00	20,000.00	0.00	19,993.16	-6.84	99.97 %
RptType: 3600 - MISCELLANEOUS							
740-000-360000	ALL OTHER WATER RECEIPTS	37,500.00	37,500.00	0.00	-319.09	-37,819.09	0.85 %
	RptType: 3600 - MISCELLANEOUS Total:	37,500.00	37,500.00	0.00	-319.09	-37,819.09	0.85 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	3,385,932.00	3,385,932.00	115,067.34	974,534.82	-2,411,397.18	28.78 %
	Revenue Total:	3,385,932.00	3,385,932.00	115,067.34	974,534.82	-2,411,397.18	28.78 %
Expense							
Department: 704 - WATER							
RptCategory: 40 - PERSONNEL SERVICES							
740-704-431500	ACCOUNTING CLERK	18,500.00	18,500.00	1,443.30	8,659.80	9,840.20	46.81 %
740-704-437049	PUBLIC WORKS DIRECTOR	23,000.00	23,000.00	1,887.00	10,876.00	12,124.00	47.29 %
740-704-437050	PUBLIC WORKS SUPERVISOR	36,000.00	36,000.00	2,333.91	14,262.81	21,737.19	39.62 %
740-704-437055	PW ADMIN ASSISTANT	8,000.00	8,000.00	702.60	4,659.92	3,340.08	58.25 %
740-704-437070	UTILITY WORKER, JOURNEY	155,000.00	155,000.00	11,041.70	64,518.41	90,481.59	41.62 %
740-704-439011	SEASONAL HELP	25,000.00	25,000.00	0.00	6,165.00	18,835.00	24.66 %
740-704-450100	OVERTIME	10,000.00	10,000.00	168.05	3,132.18	6,867.82	31.32 %
740-704-450500	CAREER RECOGNITION PAY	2,500.00	2,500.00	171.67	1,089.20	1,410.80	43.57 %
740-704-470000	ASSOCIATED PAYROLL COSTS	175,000.00	175,000.00	8,925.28	48,934.53	126,065.47	27.96 %
	RptCategory: 40 - PERSONNEL SERVICES Total:	453,000.00	453,000.00	26,673.51	162,297.85	290,702.15	35.83 %
RptCategory: 50 - MATERIAL AND SERVICES							
740-704-500110	CONTRACTUAL & PROFESSIONAL SER...	60,000.00	60,000.00	3,256.87	24,383.73	35,616.27	40.64 %
740-704-500240	METER READING CONTRACT	35,000.00	35,000.00	2,126.60	12,713.72	22,286.28	36.32 %
740-704-500425	WHOLESALE WATER	560,000.00	560,000.00	68,037.00	198,958.36	361,041.64	35.53 %
740-704-520120	BANK CHARGES	13,000.00	13,000.00	5,554.25	17,906.07	-4,906.07	137.74 %
740-704-520130	OPERATIONS, MAINTENANCE & REPA...	145,000.00	145,000.00	13,380.94	50,375.94	94,624.06	34.74 %
740-704-520162	LABORATORY WATER TESTS	15,000.00	15,000.00	0.00	198.00	14,802.00	1.32 %
740-704-520165	FIRE HYDRANT MAINTENANCE & REP...	18,000.00	18,000.00	0.00	707.88	17,292.12	3.93 %
740-704-520310	MAINTENANCE, REPAIR & OPERATION	0.00	0.00	0.00	-353.10	353.10	0.00 %
740-704-520320	FLEET FUEL, MAINTENANCE & REPAIR	97,000.00	97,000.00	890.35	5,821.81	91,178.19	6.00 %
740-704-520400	OFFICE SUPPLIES & EQUIPMENT	2,000.00	2,000.00	239.87	801.63	1,198.37	40.08 %
740-704-520430	UTILITY BILLS & POSTAGE	5,500.00	5,500.00	607.88	3,937.20	1,562.80	71.59 %
740-704-540200	DUES & MEMBERSHIPS	0.00	0.00	0.00	345.00	-345.00	0.00 %
740-704-540220	TRAVEL, CONFERENCES & TRAINING	3,600.00	3,600.00	335.00	2,172.30	1,427.70	60.34 %
740-704-540300	SMALL TOOLS, EQUIPMENT & SAFETY...	15,000.00	15,000.00	132.28	5,450.49	9,549.51	36.34 %
740-704-540400	DUMPING, HAULING, GARBAGE	15,000.00	15,000.00	100.00	2,256.51	12,743.49	15.04 %
740-704-560100	UTILITIES	18,000.00	18,000.00	1,521.56	9,794.79	8,205.21	54.42 %
	RptCategory: 50 - MATERIAL AND SERVICES Total:	1,002,100.00	1,002,100.00	96,182.60	335,470.33	666,629.67	33.48 %
RptCategory: 60 - CAPITAL OUTLAY							
740-704-676050	SYSTEM IMPROVEMENTS & PROJECTS	890,000.00	890,000.00	0.00	0.00	890,000.00	0.00 %
740-704-678090	RESERVE FROM SDC'S	375,000.00	375,000.00	0.00	0.00	375,000.00	0.00 %
	RptCategory: 60 - CAPITAL OUTLAY Total:	1,265,000.00	1,265,000.00	0.00	0.00	1,265,000.00	0.00 %
RptCategory: 70 - DEBT SERVICE							
740-704-720040	2005 BONDED DEBT/PRINCIPAL	153,000.00	153,000.00	0.00	153,000.00	0.00	100.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
740-704-730040 2005 BONDED DEBT/INTEREST	24,682.00	24,682.00	11,583.00	24,680.70	1.30	99.99 %
RptCategory: 70 - DEBT SERVICE Total:	177,682.00	177,682.00	11,583.00	177,680.70	1.30	100.00 %
Department: 704 - WATER Total:	2,897,782.00	2,897,782.00	134,439.11	675,448.88	2,222,333.12	23.31 %
Department: 920 - TRANSFER OUT						
RptCategory: 89 - TRANSFERS OUT						
740-920-899100 TRANSFER OUT TO GENERAL FUND	16,025.00	16,025.00	0.00	0.00	16,025.00	0.00 %
740-920-899205 TRANSFER OUT TO ROAD & STREET F...	72,125.00	72,125.00	0.00	0.00	72,125.00	0.00 %
RptCategory: 89 - TRANSFERS OUT Total:	88,150.00	88,150.00	0.00	0.00	88,150.00	0.00 %
Department: 920 - TRANSFER OUT Total:	88,150.00	88,150.00	0.00	0.00	88,150.00	0.00 %
Department: 990 - CONTINGENCY						
RptCategory: 90 - OTHER						
740-990-910000 CONTINGENCY FUNDS	400,000.00	400,000.00	0.00	0.00	400,000.00	0.00 %
RptCategory: 90 - OTHER Total:	400,000.00	400,000.00	0.00	0.00	400,000.00	0.00 %
Department: 990 - CONTINGENCY Total:	400,000.00	400,000.00	0.00	0.00	400,000.00	0.00 %
Expense Total:	3,385,932.00	3,385,932.00	134,439.11	675,448.88	2,710,483.12	19.95 %
Fund: 740 - WATER FUND Surplus (Deficit):	0.00	0.00	-19,371.77	299,085.94	299,085.94	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 750 - STORM WATER FUND							
Revenue							
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL							
RptType: 3000 - BEG FUND BAL.							
750-000-309999	BEGINNING FUND BALANCE	30,390.00	30,390.00	0.00	0.00	-30,390.00	0.00 %
	RptType: 3000 - BEG FUND BAL. Total:	30,390.00	30,390.00	0.00	0.00	-30,390.00	0.00 %
RptType: 3140 - CHARGES FOR SERVICES							
750-000-314060	STORM REVENUE	552,080.00	552,080.00	57,468.35	347,648.99	-204,431.01	62.97 %
	RptType: 3140 - CHARGES FOR SERVICES Total:	552,080.00	552,080.00	57,468.35	347,648.99	-204,431.01	62.97 %
RptType: 3141 - SDC							
750-000-314110	STORMWATER SDC'S	0.00	0.00	0.00	2,881.00	2,881.00	0.00 %
	RptType: 3141 - SDC Total:	0.00	0.00	0.00	2,881.00	2,881.00	0.00 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	582,470.00	582,470.00	57,468.35	350,529.99	-231,940.01	60.18 %
	Revenue Total:	582,470.00	582,470.00	57,468.35	350,529.99	-231,940.01	60.18 %
Expense							
Department: 705 - PUBLIC WORKS DIRECTOR							
RptCategory: 40 - PERSONNEL SERVICES							
750-705-431500	ACCOUNTING CLERK	15,750.00	15,750.00	1,202.75	7,216.50	8,533.50	45.82 %
750-705-437049	PUBLIC WORKS DIRECTOR	22,380.00	22,380.00	1,887.00	10,876.00	11,504.00	48.60 %
750-705-437050	PUBLIC WORKS SUPERVISOR	26,200.00	26,200.00	2,290.01	13,690.30	12,509.70	52.25 %
750-705-437055	PW ADMIN ASSISTANT	8,000.00	8,000.00	702.62	4,659.93	3,340.07	58.25 %
750-705-437070	UTILITY WORKER, JOURNEY	65,000.00	65,000.00	3,736.41	23,254.25	41,745.75	35.78 %
750-705-439011	SEASONAL HELP	25,000.00	25,000.00	0.00	0.00	25,000.00	0.00 %
750-705-450100	OVERTIME	7,000.00	7,000.00	106.58	481.87	6,518.13	6.88 %
750-705-450500	CAREER RECOGNITION PAY	500.00	500.00	36.08	216.48	283.52	43.30 %
750-705-470000	ASSOCIATED PAYROLL COSTS	100,000.00	100,000.00	4,823.27	30,239.07	69,760.93	30.24 %
	RptCategory: 40 - PERSONNEL SERVICES Total:	269,830.00	269,830.00	14,784.72	90,634.40	179,195.60	33.59 %
RptCategory: 50 - MATERIAL AND SERVICES							
750-705-500110	CONTRACTUAL & PROFESSIONAL SER...	20,000.00	20,000.00	937.12	10,035.90	9,964.10	50.18 %
750-705-520130	OPERATIONS, MAINTENANCE & REPA...	30,000.00	30,000.00	551.68	14,872.85	15,127.15	49.58 %
750-705-520320	FLEET FUEL, MAINTENANCE & REPAIR	50,000.00	50,000.00	890.31	4,765.21	45,234.79	9.53 %
750-705-520400	OFFICE SUPPLIES & EQUIPMENT	1,300.00	1,300.00	239.91	801.60	498.40	61.66 %
750-705-520430	UTILITY BILLS & POSTAGE	5,000.00	5,000.00	608.07	3,938.38	1,061.62	78.77 %
750-705-540220	TRAVEL, CONFERENCES & TRAINING	2,700.00	2,700.00	0.00	888.38	1,811.62	32.90 %
750-705-540300	SMALL TOOLS, EQUIPMENT & SAFETY...	17,000.00	17,000.00	2,290.42	6,963.22	10,036.78	40.96 %
750-705-540400	DUMPING, HAULING, GARBAGE	19,000.00	19,000.00	100.00	415.00	18,585.00	2.18 %
750-705-560100	UTILITIES	1,000.00	1,000.00	51.67	258.16	741.84	25.82 %
	RptCategory: 50 - MATERIAL AND SERVICES Total:	146,000.00	146,000.00	5,669.18	42,938.70	103,061.30	29.41 %
RptCategory: 60 - CAPITAL OUTLAY							
750-705-676050	SYSTEM IMPROVEMENTS & PROJECTS	38,000.00	38,000.00	4,391.00	4,391.00	33,609.00	11.56 %
	RptCategory: 60 - CAPITAL OUTLAY Total:	38,000.00	38,000.00	4,391.00	4,391.00	33,609.00	11.56 %
	Department: 705 - PUBLIC WORKS DIRECTOR Total:	453,830.00	453,830.00	24,844.90	137,964.10	315,865.90	30.40 %
Department: 920 - TRANSFER OUT							
RptCategory: 89 - TRANSFERS OUT							
750-920-899100	TRANSFER OUT TO GENERAL FUND	70,350.00	70,350.00	0.00	0.00	70,350.00	0.00 %
750-920-899205	TRANSFER OUT TO ROAD & STREET F...	37,500.00	37,500.00	0.00	0.00	37,500.00	0.00 %
	RptCategory: 89 - TRANSFERS OUT Total:	107,850.00	107,850.00	0.00	0.00	107,850.00	0.00 %
	Department: 920 - TRANSFER OUT Total:	107,850.00	107,850.00	0.00	0.00	107,850.00	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Department: 990 - CONTINGENCY						
RptCategory: 90 - OTHER						
750-990-910000 CONTINGENCY FUNDS	20,790.00	20,790.00	0.00	0.00	20,790.00	0.00 %
RptCategory: 90 - OTHER Total:	20,790.00	20,790.00	0.00	0.00	20,790.00	0.00 %
Department: 990 - CONTINGENCY Total:	20,790.00	20,790.00	0.00	0.00	20,790.00	0.00 %
Expense Total:	582,470.00	582,470.00	24,844.90	137,964.10	444,505.90	23.69 %
Fund: 750 - STORM WATER FUND Surplus (Deficit):	0.00	0.00	32,623.45	212,565.89	212,565.89	0.00 %

Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 801 - MUNICIPAL COURT TRUST FUND							
Revenue							
Department: 000 - UNDESIGNATED / NON DEPARTMENTAL							
RptType: 3000 - BEG FUND BAL.							
801-000-309999	BEGINNING FUND BALANCE	8,000.00	8,000.00	0.00	0.00	-8,000.00	0.00 %
	RptType: 3000 - BEG FUND BAL. Total:	8,000.00	8,000.00	0.00	0.00	-8,000.00	0.00 %
RptType: 3260 - FINES AND FORFEITURES							
801-000-326020	CITY OF GLADSTONE FINES/FEES	362,000.00	362,000.00	21,337.49	194,328.56	-167,671.44	53.68 %
801-000-326030	CLACKAMAS COUNTY FINES/FEES	12,000.00	12,000.00	847.90	6,578.42	-5,421.58	54.82 %
801-000-326040	STATE OF OREGON FINES/FEES	35,000.00	35,000.00	2,968.80	28,932.71	-6,067.29	82.66 %
801-000-326050	RESTITUTION	3,000.00	3,000.00	0.00	0.00	-3,000.00	0.00 %
801-000-326060	BOND	20,000.00	20,000.00	-435.00	894.21	-19,105.79	4.47 %
	RptType: 3260 - FINES AND FORFEITURES Total:	432,000.00	432,000.00	24,719.19	230,733.90	-201,266.10	53.41 %
RptType: 3600 - MISCELLANEOUS							
801-000-360000	ALL OTHER COURT FEES	0.00	0.00	113.25	595.29	595.29	0.00 %
	RptType: 3600 - MISCELLANEOUS Total:	0.00	0.00	113.25	595.29	595.29	0.00 %
	Department: 000 - UNDESIGNATED / NON DEPARTMENTAL Total:	440,000.00	440,000.00	24,832.44	231,329.19	-208,670.81	52.57 %
	Revenue Total:	440,000.00	440,000.00	24,832.44	231,329.19	-208,670.81	52.57 %
Expense							
Department: 220 - COURT							
RptCategory: 50 - MATERIAL AND SERVICES							
801-220-500500	CITY OF GLADSTONE FINES & FEES	356,400.00	356,400.00	32,698.38	213,708.03	142,691.97	59.96 %
801-220-500510	CLACKAMAS COUNTY FINES & FEES	20,600.00	20,600.00	1,016.22	7,370.44	13,229.56	35.78 %
801-220-500520	STATE OF OREGON FINES & FEES	40,000.00	40,000.00	4,935.52	32,744.27	7,255.73	81.86 %
801-220-500530	RESTITUTION	3,000.00	3,000.00	0.00	0.00	3,000.00	0.00 %
801-220-500540	BOND - COURT	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00 %
801-220-500550	ALL OTHER FEES & FINES	0.00	0.00	78.76	560.49	-560.49	0.00 %
	RptCategory: 50 - MATERIAL AND SERVICES Total:	440,000.00	440,000.00	38,728.88	254,383.23	185,616.77	57.81 %
	Department: 220 - COURT Total:	440,000.00	440,000.00	38,728.88	254,383.23	185,616.77	57.81 %
	Expense Total:	440,000.00	440,000.00	38,728.88	254,383.23	185,616.77	57.81 %
	Fund: 801 - MUNICIPAL COURT TRUST FUND Surplus (Deficit):	0.00	0.00	-13,896.44	-23,054.04	-23,054.04	0.00 %
	Report Surplus (Deficit):	10,275,000.00	0.00	789,056.51	10,343,641.67	10,343,641.67	0.00 %

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
100 - GENERAL FUND	0.00	0.00	504,528.51	1,559,378.02	1,559,378.02
205 - ROAD AND STREET FUND	0.00	0.00	46,539.84	130,821.31	130,821.31
228 - POLICE LEVY FUND	0.00	0.00	81,884.75	260,223.75	260,223.75
229 - FIRE LEVY FUND	0.00	0.00	45,586.77	130,794.39	130,794.39
306 - LIBRARY CAPITAL FUND	0.00	0.00	0.00	0.00	0.00
307 - CIVIC BUILDINGS CAPITAL FUN	9,840,000.00	0.00	-1,732.50	-182,228.11	-182,228.11
390 - URBAN RENEWAL FUND	435,000.00	0.00	229,986.50	7,627,307.53	7,627,307.53
730 - SEWER FUND	0.00	0.00	-117,092.60	328,746.99	328,746.99
740 - WATER FUND	0.00	0.00	-19,371.77	299,085.94	299,085.94
750 - STORM WATER FUND	0.00	0.00	32,623.45	212,565.89	212,565.89
801 - MUNICIPAL COURT TRUST FUN	0.00	0.00	-13,896.44	-23,054.04	-23,054.04
Report Surplus (Deficit):	10,275,000.00	0.00	789,056.51	10,343,641.67	10,343,641.67

CHECK REGISTER FOR DECEMBER 2018

Check Date	Check No.	Vendor		Line Item Description
12/06/2018	86364	Aramark	55.46	Coveralls/Mats - PW
12/06/2018	86365	BridgePay Network Solutions, LLC	98	Online payment fees - PW
12/06/2018	86366	Canon Financial Services, Inc.	654.05	Copier Lease/Usage - Admin
12/06/2018	86367	Clackamas County Finance Departr	18462.16	Dispatch Fees/Ammo Draw - PD/FD
12/06/2018	86368	Curtis, L. N. Co.	203.99	Uniforms - PD
12/06/2018	86369	Elite Window Tinting, LLC	149	Window Tinting - PD
12/06/2018	86370	Gold Wrench	1075.35	Vehicle Maintenance - PD
12/06/2018	86371	Houston, Marc R	995	Physician Adviser - FD
12/06/2018	86372	IJS Law, LLC	2150	Indigent Defense - CT
12/06/2018	86373	John Southgate LLC	1650	Professional Fees - Admin
12/06/2018	86374	Lundquist Legal, LLC	3000	Prosecutor Services - CT
12/06/2018	86375	Occupational Safety, Health & Wel	182	Vaccination Clinic - PW
12/06/2018	86376	Oregon Patrol Service	570	Courtroom Security - CT
12/06/2018	86377	Portland General Electric	6440.48	Electricity Usage - All Depts.
12/06/2018	86378	RH Media Services LLC	5200	IT Services - Admin
12/06/2018	86379	Robinson Brothers Construction In	5542.67	Fiber Optic Project Costs - Admin
12/06/2018	86380	Satcom Global	42.75	Satellite Phone Service - PD
12/06/2018	86381	Shred-it USA LLC	230.32	Shredding - PD
12/06/2018	86382	Sign Guy	260	Vehicle Signage - PD
12/06/2018	86383	Jill Tate	487.5	Transcription - Admin
12/06/2018	86384	Thomas Joseph	13	Uniform Maintenance - FD
12/06/2018	86385	TransUnion Risk and Alternative	25	Data Search Service - PD
12/06/2018	86386	Val Codino Consulting	500	Professional Fees - FD
12/06/2018	86387	Verizon Wireless	2732.09	Cell Phone Usage - All Depts.
12/7/2018	ACH	US Bank	20170.74	P-Card Pmt - All Depts.
12/12/2018	86388	US Postal Service	994.19	Newsletter Postage - Admin
12/13/2018	86389	Backflow Management Inc	16	Notification Letters - PW
12/13/2018	86390	Batteries Plus	119.98	Batteries - FD
12/13/2018	86391	Clackamas Auto Parts Inc	29.64	Auto Parts - FD
12/13/2018	86392	Clackamas County Finance Departr	9741.46	Planning Services/Signal Maint - Admin/PW
12/13/2018	86393	Clark's Lawn & Garden Equip	41.94	Fuel Additive - FD
12/13/2018	86394	Harbor Freight Tools	8.99	Tools - FD
12/13/2018	86395	Home Depot	597.88	Tools/Station Supplies - FD
12/13/2018	86396	Life-Assist Inc	151.96	First Responder Supplies - FD
12/13/2018	86397	Midwest Tape	706.53	Non- Print Items - LIB
12/13/2018	86398	Office Depot	343.18	Office Supplies - Admin/CT/LIB
12/13/2018	86399	Oregon DMV	6	Driving Records - Admin
12/13/2018	86400	Pape Kenworth	395	Vehicle Maintenance - PW
12/13/2018	86401	Portland General Electric	5383.87	Street Light Electricity - PW
12/13/2018	86402	Portland Road & Driveway Co., Inc.	200	Dump Fees - PW
12/13/2018	86403	Sisul Engineering	9752.5	Engineering Services - PW
12/13/2018	86404	Smith-Wagar Brucker Consulting Ir	5417.5	Financial Service - Admin
12/13/2018	86405	Stein Oil Co. Inc.	1416.31	Gasoline - FD/PW
12/13/2018	86406	Tri Cities Service District	99376.33	Monthly Sewer Service - PW
12/14/2018	86407	Titan Roofing LLC	21,680.00	Roofing Materials/Sr. Center - PW
12/17/2018	86408	Sierra Springs	171.50	Drinking Water
12/20/2018	86409	All About Flagging LLC	1085	Flaggin - PW
12/20/2018	86410	Allstream	1220.52	Land Lines - All Depts
12/20/2018	86411	Aramark	55.46	Coveralls/Mats - PW
12/20/2018	86412	Baker & Taylor Inc	5938.61	New Books - LIB
12/20/2018	86413	Beery,Elsner & Hammond LLP	8103.21	Legal Fees - Admin
12/20/2018	86414	BMS Technologies	3785.12	Utility Billing - PW
12/20/2018	86415	Canon Financial Services, Inc.	598.91	Copier Lease/Usage - Admin
12/20/2018	86416	Chief Supply	119.88	Uniforms -FD
12/20/2018	86417	Cintas First Aid Lockbox	255.39	First Aid Supplies - LIB/PW/Admin
12/20/2018	86418	City of Milwaukie	840	ROW Management Services - Admin
12/20/2018	86419	Clackamas County Finance Departr	435	Telecom/Ammo Draw - PD

CHECK REGISTER FOR DECEMBER 2018

Check Date	Check No.	Vendor		Line Item Description
12/20/2018	86420	Clackamas Fire District #1	2438.3	IGA Fleet Labor - FD
12/20/2018	86421	Comcast	130.5	Internet - Voice/PD
12/20/2018	86422	Covanta Energy, LLC	83.77	Evidence/Contraband Disposal - PD
12/20/2018	86423	General Tree Service	294	Pow Wow Tree Maintenance - PW
12/20/2018	86424	Gerber Collision & Glass	1190.92	Vehicle Repairs - PD
12/20/2018	86425	Gladstone School Dist.115	81	Catering Joint Meeting - Admin
12/20/2018	86426	Heidi Schmaltz	100	Interpreting Service - CT
12/20/2018	86427	Hughes Fire Equipment	121.41	Parts - FD
12/20/2018	86428	League of Oregon Cities	40	Employment Ads - Admin
12/20/2018	86429	Lucy Heil, Attorney at Law	375	Indigent Defense - CT
12/20/2018	86430	Marna Barnes	183.98	Supplies Reimbursement - PW
12/20/2018	86431	Mr. Belvedere's Janitorial	2155	Janitorial Services - PD/Admin/PW/SC/LIB
12/20/2018	86432	Northside Ford	82.05	Parts - PD
12/20/2018	86433	Northwest Safety Clean	55.88	Supplies - FD
12/20/2018	86434	Oak Lodge Water Services	331.54	Water Purchases - PW
12/20/2018	86435	Office Depot	261.91	Office Supplies - FD/LIB/Admin
12/20/2018	86436	One Call Concepts Inc	69.3	Utility Notifications - PW
12/20/2018	86437	Oregon DMV	14.5	Suspension Packages - PD
12/20/2018	86438	Pacific Office Automation	671.91	Copier Lease/Usage - LIB
12/20/2018	86439	Paramount Pest Control Inc	205	Pest Control - PW
12/20/2018	86440	Platt Electric Supply	13.43	Parts - FD
12/20/2018	86441	PORAC Legal Defense Fund	283.5	Legal Defense Fund - PD
12/20/2018	86442	Precor Commercial Fitness	3131.5	Fitness Equipment - FD
12/20/2018	86443	Providence Health & Services	95	Physical - Admin
12/20/2018	86444	Randy Hopperstad	20	Laundry Quarter Reimbursement - FD
12/20/2018	86445	Robert C Johnson	140	Landscape Maintenance - LIB
12/20/2018	86446	Ruben Medina LLC	550	Indigent Defense - CT
12/20/2018	86447	Les Schwab Tires	3020.75	Vehicle Maintenance - PD
12/20/2018	86448	William Stanley & Sons Paving LLC	6500	Asphalt Patching - PW
12/20/2018	86449	Stein Oil Co. Inc.	1314.16	Gasoline - PD
12/20/2018	86450	US Bank Equipment Finance	224.46	Copier Lease - PD
12/20/2018	86451	West Coast Hose Repair	107	Hose Repair - FD
12/20/2018	86452	WFCA Daily Dispatch	405	Employment Ads - Admin
12/24/2018	86453	WA Federal Bank	11,583.00	Bond Interest - PW
12/31/2018	86454 - 86456	Paychecks	3,173.52	Paychecks - FD/PW
12/28/2018	86457	Axa Equi-Vest	6270	Voluntary Payroll Deferred Comp
12/28/2018	86458	Axa EVLICO	141	Non-PERS Retirement Pmt
12/28/2018	86459	Axa RIA	2145.27	Non-PERS Retirement Pmt
12/28/2018	86460	CIS Trust	66600.34	Monthly Health Insurance
12/28/2018	86461	Clackamas Community Federal Cre	1102.55	GPA Union Dues
12/28/2018	86462	Clackamas County Benevolent Fou	25	Voluntary Employee Contributions
12/28/2018	86463	Gladstone Fire Department	700	Fire Members House Dues
12/28/2018	86464	Oregon AFSCME Council #75	1141.21	AFSCME Union Dues
		Total Checks	<u>367,450.08</u>	
<u>Urban Renewal Checks</u>				
12/13/2018	5500	City of Gladstone	67.50	Reimburse City for Legal Fees
		Total Urban Renewal Checks	<u>67.50</u>	
		Total Issued in December 2018	<u><u>367,517.58</u></u>	

ATTORNEY CHARGES

Attorneys:	July, 2018	Aug, 2018	Sept, 2018	Oct, 2018	Nov, 2018	Dec, 2018	Totals
City Charter	\$ -	\$ -	\$ -	\$ -	\$ 112.50		\$ 112.50
Elections	292.50	64.50	-	21.50	22.50		401.00
Transient Lodging Tax	-	-	-	-	-		-
General	247.50	22.50	663.00	-	-		933.00
Civic Center Project	225.00	-	-	-	1,732.50		1,957.50
Meeting Attendance	-	-	-	-	-		-
Governance/City Council	450.00	517.50	3,114.78	352.54	423.00		4,857.82
Meeting Attendance	802.00	1,005.80	1,094.50	914.50	1,575.50		5,392.30
Intergovernmental	90.00	774.00	285.50	1,098.50	112.50		2,360.50
Land Use/ Community Development	765.00	882.50	-	-	225.00		1,872.50
Meeting Attendance	667.00	-	-	-	-		667.00
Parks & Recreation	-	-	247.50	-	22.50		270.00
Personnel/Labor	-	-	-	715.50	88.00		803.50
AFSCME	-	-	-	-	-		-
City Administration	-	-	-	-	-		-
Public Records & Meetings	-	45.00	67.50	443.00	153.89		709.39
Public Safety	-	838.50	-	43.00	765.00		1,646.50
Public Works	157.50	562.50	-	112.50	292.50		1,125.00
Real Property Transactions	-	-	-	-	-		-
Risk Management/Litigation	1,195.79	397.10	4,338.47	1,884.55	1,481.32		9,297.23
Rights of Way-Telecommunications	-	-	-	-	1,096.50		1,096.50
Urban Renewal	-	-	67.50	-	-		67.50
Total	\$ 4,892.29	\$ 5,109.90	\$ 9,878.75	\$ 5,585.59	\$ 8,103.21	\$ -	\$ 33,569.74

Attorneys:	Jan, 2019	Feb, 2019	Mar, 2019	Apr, 2019	May, 2019	June, 2019	Totals for Year
City Charter							\$ 112.50
Elections							401.00
Transient Lodging Tax							-
General							933.00
Civic Center Project							1,957.50
Meeting Attendance							-
Governance/City Council							4,857.82
Meeting Attendance							5,392.30
Intergovernmental							2,360.50
Land Use/ Community Development							1,872.50
Meeting Attendance							667.00
Parks & Recreation							270.00
Personnel/Labor							803.50
AFSCME							-
City Administration							-
Public Records & Meetings							709.39
Public Safety							1,646.50
Public Works							1,125.00
Real Property Transactions							-
Risk Management/Litigation							9,297.23
Rights of Way-Telecommunications							1,096.50
Urban Renewal							67.50
Total	\$ -	\$ 33,569.74					



GLADSTONE PUBLIC WORKS

Staff Report for the Month of

January, 2019

Report Date: January 31, 2019
To : Jacque M. Betz, City Administrator
Copy : Mayor and City Council
From : Jim Whynot, Public Works Director

Water Division was busy in Sherwood Forest on water line repairs. We had a large sinkhole develop on Doncaster Drive in that neighborhood, and upon excavation, we discovered we had a badly corroded water service saddle. Photo right shows the corroded line. During the excavation process we discovered a nearby stormwater catch basin that had been extremely poorly constructed and required immediate attention. (More about the catch basin will follow in our Stormwater Division section.)

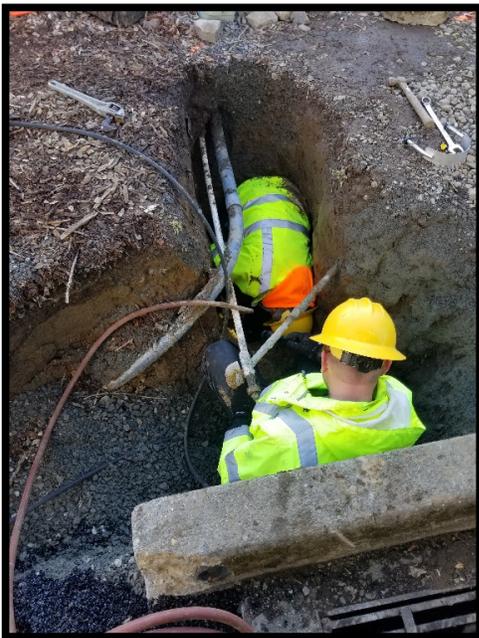


Photo left shows saddle replacement in process.



Photo right shows Doncaster Drive water service replacement

We discovered a broken curb stop on E. Gloucester. Photo right shows a service line and curb stop that we replaced at that location.



Storm Division was busy with not only water line repairs in Sherwood Forest, but also storm line issues in that neighborhood. In this case, the catch basin shown in photos right and below was poorly constructed, containing multiple voids that led to a very large sink hole. We poured a concrete base around the basin to seal the voids and provide stability.



Yikes! While excavating the Doncaster stormline sinkhole, we suddenly uncovered live electric lines. We've had many encounters with live electrical lines directly buried. While power companies no longer perform direct burials, there remain a number of these live electrical lines buried around the City. Our crew has no way to know what they will encounter when they are working underground, which is why our Workman's Compensation rate for risk to safety and life is the highest in municipal departments nationwide. Public Works is risky business, and our attention to safety is paramount.



Our stormwater division has been tracking down the source of soap in Rinearson Creek. We tracked the soap upstream and found the farthest upstream manhole to help pinpoint the source. Our sleuthing ascertained multiple offenders. Photo right shows a car dealership, that had soap from car washing going directly into storm drains. We are still looking into another pollution source that we know is in the Portland Avenue vicinity, but we haven't pinpointed the exact location yet. Our responsibilities in connection with our DEQ Stormwater Permit requires a great deal of staff time, on-site inspections of businesses, and investigations.



Photos below show booms we installed up and down Rinearson Creek to contain the unlawfully discharged soap:



Sewer Division has been working on sewer line repairs on Clackamas Boulevard. We have had to close the street between Beatrice and Barton several days in order to work on the project.



Picture left shows a section of one of several large globs of grease that we captured with closed circuit TV.

Picture right shows the utilization of our Vactor truck to remove a chunk of the grease from our sewer line. With our most recent equipment purchases, Public Works has made great strides in our ability to maintain our infrastructure. This level of maintenance was not possible previously.



On E. Gloucester Street, we encountered a situation similar to what we corrected recently on E. Arlington. In both cases, the storm line was installed in order to prevent the storm basins from draining into the sanitary sewer, but the sanitary sewer lines were not plugged off at the time of construction. The sanitary sewer intake was at the lowest point in the line, so storm water continued to infiltrate the sanitary sewer line. These I & I's (Inflow and Infiltration) are one of our main causes of the raw sewage overflows into the river, which violate DEQ rules. Eliminating I & I is a primary focus of our Stormwater and Sewer Divisions, and is a requirement in our DEQ NPDES Stormwater Permit. We are planning to replace these failing catch basins and abandon the stormwater lines that flow into the sanitary sewer.



We installed a flow meter in the sanitary sewer manhole at 203 W. Clackamas Boulevard to inform us of the volume of sewage that is coming through that mainline. As we continue to progress in our program of eliminating I & I into our sewer lines, we will use the data provided by the flow meter to measure our progress in reducing the excess stormwater leakage into the sewer lines. For new Council members, this is important because (1) DEQ requires it, and (2) we don't want to be sending stormwater to WES for sewage treatment, and (3) SSO's (Sanitary Sewer Overflows) are caused by stormwater leaching into our sanitary sewers, causing increase in water volume which is mixed with raw sewage and then overflows into the river. The City has kicked this can down the road for decades, and DEQ is now taking action to ensure that the City resolves these ongoing violations. Public Works thanks the Council for your support in helping this Department move the City into compliance.

For new councilors, the photo right shows the crew preparing for a confined space entry into a manhole, utilizing the tripod. The purpose of confined space entry protocol is to ensure the safety of the crew. Toxic gases build up in manholes, particularly sanitary sewerlines, and can render a person unconscious within seconds. Confined space entry involves the use of a gas meter to measure toxic gases present in the hole. The individual going down the hole is hooked onto the tripod in the event of injury or losing consciousness to allow rapid removal from underground. This is another example of dangerous situations that are part of our daily work.





Streets Division was busy this month with roadway rehabilitation. Patching a water line replacement was made much more costly due to underground boulders and the necessity of removing a meandering water line that should have been a straight line. This particular job required three times the material than should have been required had the water line been installed correctly years ago.

The street crew took advantage of the nice weather to get several sections of street paving done. This is hot patching, which must be done when the weather is warm enough to keep the patching material hot long enough to work with it.



Preparation for street repairs are shown right:



We investigated damage from a car rollover accident on Oatfield Road across from the entrance to the SDA campground. It pushed over a fence on private property and did some damage to the right of way at the sidewalk. This is one example of our efforts to recover insurance funds for damage to public property. We seem to have had several of these kinds of incidents within the last year or so. We simply did not have the labor force to follow up with these kinds of issues in the past.

Development inspections are ongoing. Photos below show examples of final acceptance at the Glen Echo Subdivision. This project took up a lot of time, as we were forced to fail several inspections until the contractor met City design and construction standards. Photos below show acceptable finished product:



9



More inspections of subdivision development to confirm work meets City standards.



Photo left shows sidewalk grade at Glen Echo Subdivision that did not meet City design and construction standards. The sidewalk grade was higher than the curb grade, creating a trip hazard. We required the contractor to replace it, which they did by jackhammering it up and repaving.

Photos below show prepour inspections at Gladstone Terrace Subdivision:





Parks Division was faced with the malodorous and unsanitary task of cleaning up a transient RV holding tank dumped in Meldrum Bar Park. The crew shoveled it up and sanitized the area after disposing of the solid waste.

We investigated a property owner's concern that trees in a greenspace could fall on their house. Upon investigation, and utilizing our GIS mapping system, we were able to ascertain that the trees and the greenspace were actually on the private property owners land.





The Clackamas River continues to erode Dahl Beach, even though we told the river to "Stop it!" We placed signs closing the beach, conceding to nature.



Patterson Park required reinforcement of loose swing set uprights, left and below. The swing set is now solid and fully capable of handling all the play the kids can give it.



And finally, our Parks Division is very pleased to announce that Public Works was successful in obtaining \$133,000 in grant funding from the Oregon State Marine Board for the fabrication and delivery of a new aluminum boat boarding dock for Meldrum Bar Park. Our old wooden dock has been at the end of its life for a couple of years now and is nearing the point of disuse. This new dock will serve the City and our citizens well for decades into the future. We have secured the partnership of West Linn Parks Department to assist us in the installation of the dock once it is constructed and delivered. Much work is required yet, in getting the solicitation for quotes out, and the contract. The timeframe is very tight with this project due to Oregon State Marine Board requirements. With our administrative staff's limited hours, this project is yet another one that will put added demands on our department.

Photos below document the poor condition of our current dock:



Public Works Quote of the Month

You can't accomplish a million dollar dream with a ten cent investment.

...Attributed to Cornelius Vanderbilt



City of Gladstone Monthly Report | JANUARY 2019

PUBLIC CONTACTS/PLANNING ACTIONS

CUSTOMER CONTACT/Planning Actions	JANUARY	FEBRUARY	MARCH	APRIL	YEAR TOTALS
Customer Service Counter Contacts	8				8
Customer phone contacts	48				48
Building Permits Issued	0				0
Pre-application conferences	3				3
Administrative Decisions	0				0

PLANNING COMMISSION ACTIONS/DECISIONS

- APPROVAL OF AUTOTOWN APPLICATIONS:
Z0615-18-D; Z0616-18-HMV; Z0618-18-WBV; Z0617-18-CMP

CITY COUNCIL LAND USE ACTIONS/DECISIONS

- NONE

PRE-APPLICATION CONFERENCES

- Redevelopment of gas station at 810 e. Arlington
- 420 W. Arlington, Canine sperm bank retail store- reuse of residential property
- 82ND Bridge upgrade project

BUILDING PERMITS

DECEMBER

Date	Address	Building Permit #	Description
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NONE

FUTURE ITEMS/PROPERTY UPDATES

Location	Topic	Contact
82 nd Ave Bridge	Retrofits and structural improvements to 82 nd ave bridge, suite of staff administrative decisions	County WES
18085 se Webster Ridge Rd.	Comp Plan/Zone change; (Design Review and Conditional Use Permit to follow at a subsequent hearing) for a multi-family apartment complex development	Cascadia Planning
310 W. Arlington	Building permit-Demolition of existing home, re-establishment of two platted lots; development of two new homes	N/A
165 E. Exeter	Design Review and Conditional Use for construction of a Tri-Plex; tentatively scheduled for the February PC meeting	Iselin Architects
18595 Portland Ave, Gladstone	Gladstone Civic Center Development; Tentatively scheduled for March Planning Commission meeting	City of Gladstone
19120 SE McLoughlin Blvd	CarzPlanet Design Review application to modify previously approved landscaping; Tentatively scheduled for March Planning Commission meeting	CarzPlanet



Gladstone Police Department Memorandum

February 1, 2019

TO: Jacque Betz, City Administrator

FROM: Kim Yamashita, Chief of Police

SUBJECT: Monthly Report – January 2019

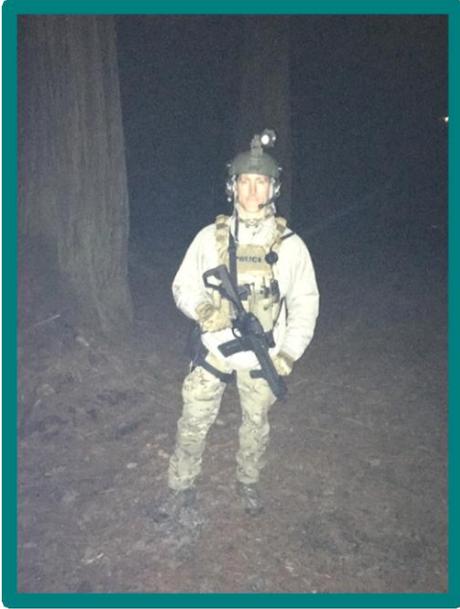
Sgt. Graves and Lt. Fryett had a meeting with a local business called Western Physiological the first week of this month to discuss our role in dealing with folks in crisis and working out how we can work better together. We explained our role, what the laws were and what we could and could not do as related to Police Officer Holds. These types of meetings are critical as we, as an industry, try to navigate the Mental Health crisis and find ways to take care of our citizens.

Officers are working with Seventh Day Adventist Church to improve security for their facility and enhance safety processes. We will be conducting a walk through with their security staff to help provide them suggestions and input about their program and facilities.

I participated in the Gladstone Emergency Management System (GEMS) meeting on January 16th. We had a great agenda full of items and ideas to work on. Discussions included topics such as CERT, Ham Radio Recruitment, Sheltering Reports, use of Web/Media to get the word out and an updates from both the Kiwanis and Rotary groups. We are also working on exercise planning for a county wide exercise called PACE. I'll get you more information on that as it becomes available.

We completed an official police report for the Manor House/Zombie House. Our investigation was completed and forwarded to the City Attorney for enforcement action. I will update you on this in the coming months.

Lee Gilliam, our School Resource Officer spent a morning in the cold welcoming kids to class at the elementary school.



Speaking of Officer Gilliam, this guy is busy. He was deployed this month in his role as a SWAT Team Member. This was a photo from the man-hunt conducted in the woods outside of Sandy. The wanted subject was believed to be armed and had a felony warrant for a crime involving a weapon.

Training – This month was a big training month.

- We did a department wide review of the Clackamas County Jail – Notice of Directives for Lodging.

Our Chaplains attended the Oregon Chaplains Academy in January. This is specifically for Public Safety Chaplains (PSC), PSC not only help our citizens on the scene, but the officers when dealing with the aftermath. I will be featuring more information about this important program in the Budget Highlights for the GPD.



- I completed my Taser training and got recertified, as did 75% of the department this month. Officer Orta conducts the Less Lethal training, which consists of both Taser and Less Lethal shotgun (which sends out a rubber projectile). These two critical components of our organization provide officers with multiple options when facing situations where force is likely to be used.



Cartridges on the floor – Each officer must deploy two cartridges annual (at a minimum) to keep current certification on the TASER (Photo- Orta). Officer Butler was qualified on the Less Lethal shotgun.



Training at the Gladstone Fire Department – Detective Fich provided cross training to the GFD on coordinated response protocols for responding to Infant Injury, Child Abuse and Death calls for service. This training will allow the fire and police departments to work in a more coordinate manor and ensure city service providers are meeting all statutory and best practices requirements.

Officer Cameron Butler (new), is getting certified with the Less Lethal Shot Gun. (Photo – Orta)



Sergeant Eric Graves and SRO Officer Lee Gilliam assisted the fire department at the Gladstone HS with a CPR class put on by Gladstone Fire Department. Officers assisted due to the number of students that attended training (a requirement for graduation). This is annual event that is shared between the two departments.



During 2018 the Gladstone Police made 463 arrests. Many of these arrests were for multiple charges.

So far this year (January 1-31 of 2019) we responded to 1363 calls for services and made 300 traffic stops. Keep in mind January, February and March tend to be slower months. If we stay on par, we would end the year with well over 16,000 calls for services and 3600 traffic stops.

Respectfully,

Kim E. Yamashita

Kim E. Yamashita
Chief of Police.



Gladstone Senior Center

Monthly Report

January 2019

Report Date: February 5, 2019

To: City Administrator, Jacque Betz

From: Senior Center Manager, Colin Black

January was indeed a good month to the Senior Center. There is significant positive progress on the interior and exterior remodel of the Senior Center. On January 7th, we reopened the Senior Center for limited operations, giving us the capability to continue to provide some services, programs, and activities to our patrons (for a list of limited operations, please visit our page on the City website). Our home-bound meal program, currently provided by The Pioneer Center in Oregon City, is continuing to be a great success and we have experienced no issues to date with service. We are grateful that our patrons have seemed to fall right back in to their routines here and not to mention staff is happy to have them here as well! We continued to gear up for our AARP Tax Assistance program, starting on February 8th, and are pleased that by the end of January we had already been booked up through March. As a reminder, in partnership with the AARP Tax Foundation, we will be offering free tax assistance on each Friday until April 12th.

This month your Senior Center staff:

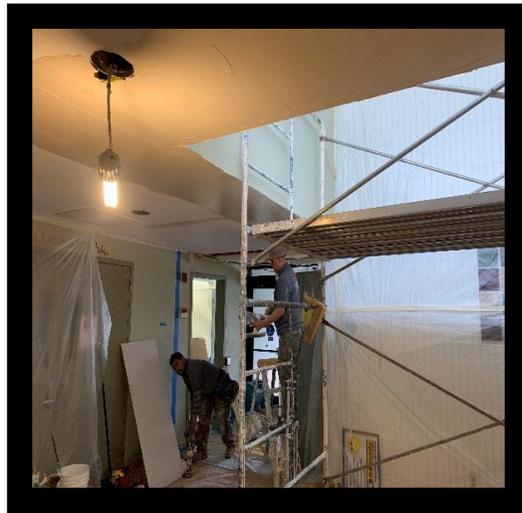
- Attended online Social Media training.
- Held a regular meeting of the Gladstone Senior Center Advisory Board.
- Held a regular meeting of the Gladstone Seniors Foundation.
- Attended a meeting with representatives from Oregon APD (Adults and People with Disabilities), Clackamas County Social Services staff, and Clackamas County Behavioral staff to see how we can improve communication between the numerous agencies.
- Attended a quarterly Information & Referral meeting with Clackamas County. Focus of this meeting the MCRC (Manufactured Communities Resource Center) and how they can help residents of those communities. MCRC is for apartments, condominiums, manufactured homes, and trailer parks.
- Participated in the annual Strategic Planning for Department Heads and City Councilors.

Due to our limited operations and construction, we are not able to keep a sign in log for patrons. Once the lobby remodel is completed, we will have it back for patrons to sign in. The Transportation program is still active, providing a minimum of 3-4 rides per day and our Friday Excursions are still running strong. We also continue to provide transportation to other Senior Centers in Clackamas County for patrons who wish to eat at those facilities. We have included

some pictures of the work that has started in the Senior Center. Staff will continue to update the Council as work progresses.



Lobby Ceiling, North Side Entry, and Billiards Room getting new drywall, tape, mud, and texture. It will be painted at a later date.



As always, your Senior Center staff look forward to working with you in making Gladstone even better. If you have any questions or concerns, please feel free to contact us at any time.

Respectfully,

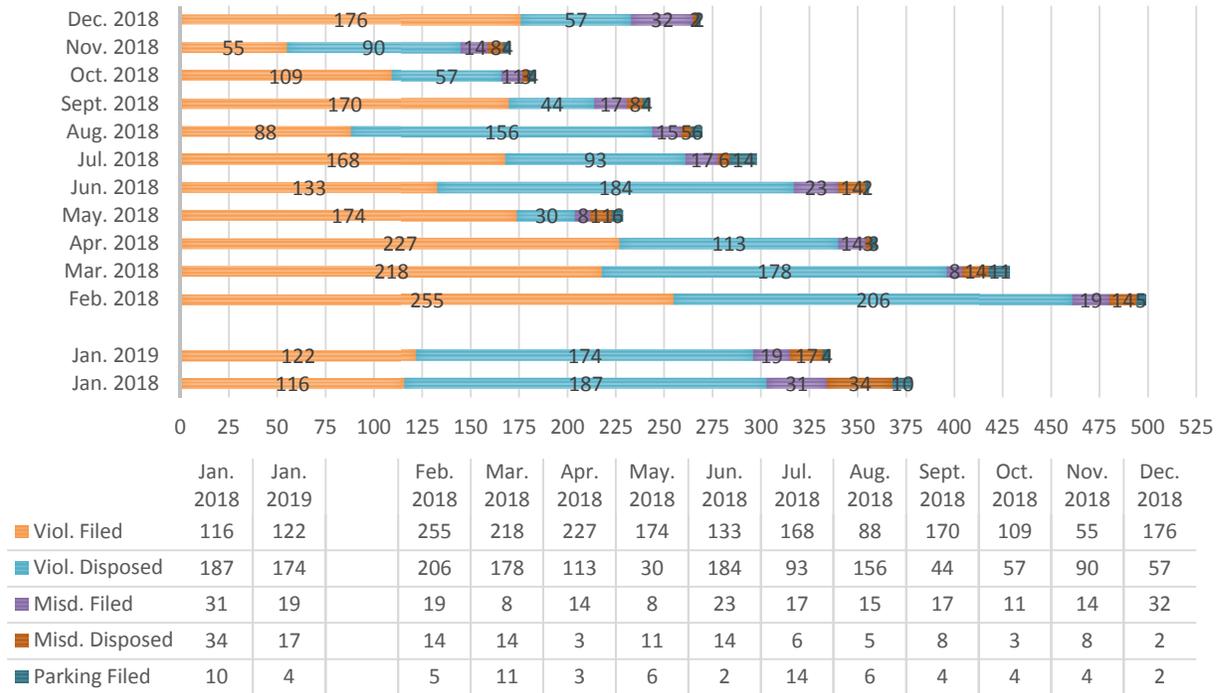
Colin Black

Senior Center Manager

Social Media Coordinator

Gladstone Municipal Court December 2018

COURT CASES 2018/2019

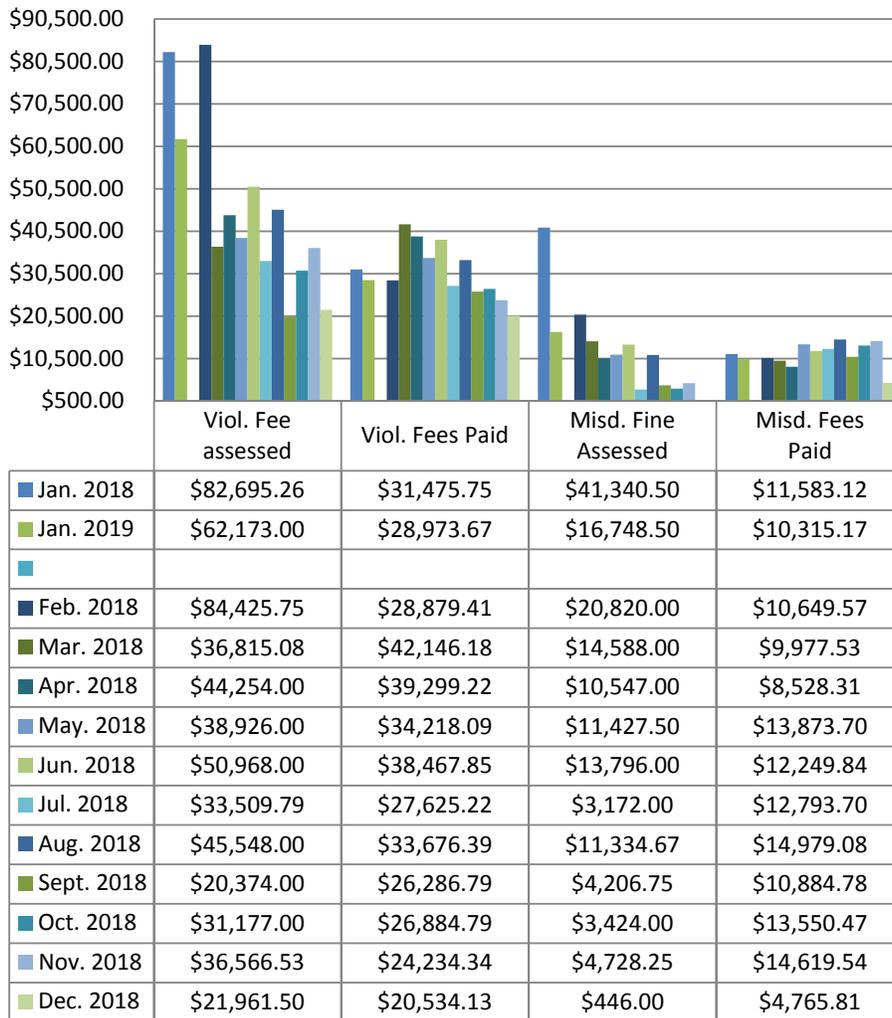


General Information for January 2019

- 176 violation filed
- 80 violations closed
- 32 misdemeanors filed
- 7 misdemeanors closed
- 19 violations were dismissed through the fixit program
- 36 warrants were issued
- 138 cases were set up on a payment agreement
- 21 overdue payment letters were mailed
- 28 driver's licenses were requested suspended
- 32 cases were sent to collections
- 1 Jury trial was held
- \$62,173.00 in violation fees assessed
- \$28,973.67 in violation fees paid
- \$16,748.50 in misdemeanor fees assessed
- \$16,748.50 in misdemeanor fees paid
- \$8,816.56 received from Western Collections Bureau
- 119 files were recalled from DOR (older than 20 years)
- 736 files/violations were sent to DOR for collection purposes

Gladstone Municipal Court December 2018

Court Fines



Gladstone Fire Department Monthly Report: January 2019

Report Date: February 5, 2019
To: City Administrator Jacque Betz
Cc: City Council
From: Interim Fire Chief Jeff Smith

Gladstone Fire responded to 131 calls in January. We report response times and compare with the Standards of Cover document for all emergency (lights and siren) calls in the City of Gladstone utilizing the adopted "80% fractile" standard, meaning we do something in a certain amount of time - or faster - 80% of the time during a given time period.

January Code-3 EMS Response Data (65 calls)

Turnout Time: 80% fractile of **2:02** (adopted standard is 1:30) Response Time: 80% fractile of **5:13** (adopted standard is 5:30)

January Code-3 Fire & Vehicle Accident Response Data (8 calls) Turnout Time: 80% fractile of **2:08** (adopted standard is 2:00) Response Time: 80% fractile of **5:16** (standard is 6:00)

- **Turnout Time** – The time interval between when units are notified of the incident and when the apparatus leave the station.
- **Travel Time** – The amount of time the responding unit actually spends travelling to the incident.
- **Response Time** – Response Time equals the combination of **Turnout Time** and **Travel Time**.

I know that this may be more appropriate to include on next month's report since it was on February 1st, but I wanted to add our annual Fire Department Recognition Dinner to this report while it is fresh. Last Friday evening was a great night of celebration and fellowship with representation of elected officials, administrative staff, department heads and fire department personnel past and present. We were able to recognize the fire department's personnel for their dedication, loyalty, productivity, and professionalism throughout the past year of 2018. Awards were given for Years of Service, Chief's Award, Top Responders, Firefighter of the Year and Fire Officer of the Year. We started the evening with a social hour, then dinner, a slide show of the past year in the department, and then our awards.



I have been honored to serve the city, fire department, and the community as Interim Fire Chief. These past few months have been pretty exciting for me looking at the department in a whole different perspective (the 50 thousand foot over view) with budget, operations, personnel assignments and staffing levels as just a few of the responsibilities. I thought of these things in the past, but never really owned them as a responsibility. Our current department's commitment to each other and to the community has made it a joy to serve in this capacity. Our department's heart for service shows in everything we do and it has been an honor for me to serve with them in 2018.

Years of service awards

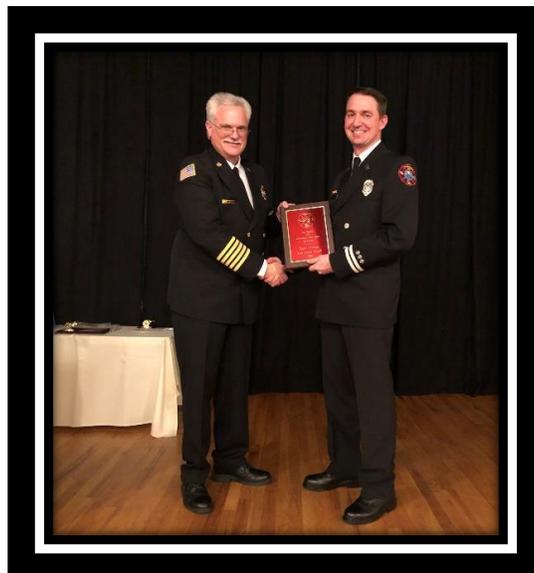
10 years of service John Cerda
10 years of service Eric Leibner



Chief's award

A friend and mentor once told me that it would be hard to let go of training during this time of serving as the Interim Fire Chief. My choice for this year's Chief Award made it easy to let go and has done an exceptional job as our Training Captain. This year's Chief Award goes to:

Training Captain Tighe Vroman.



Top Responders

This does not include career personnel
We responded on 1496 calls for the year of 2018

Bronze Winner with 380 calls

Engineer Izaak Thoman



Silver Winner with 387 calls

Firefighter Ethan Salata



Gold Winner 441 calls

Timothy Atkeson



**Firefighter and Fire Officer of the Year are based on the popular vote of their peers
with the criteria of
Dedication, Loyalty, Productivity and Professionalism**

Firefighter of the Year

Eric Leibner



Fire Officer of the Year

Tighe Vroman



Fire Department past and present



Great Job Everyone!!!!!!

From Assistant Chief Mike Funk:

Buildings under construction-

- New construction continues at Auto Town dealership. Phase one is complete and Phase two will begin soon. A letter from the FD was needed to approve Access and Water Supply before building permits can be issued.
- Multiple contacts and exchanges with Kendra, Axis Design Group, regarding a 2.5-million-dollar remodel/expansion planned for Tonkin Hyundai dealer on McLoughlin. FD is again reviewing Access and Water Supply. A 20ft fire lane with hammerhead turn-around will be required. The main(front) building is scheduled to be sprinkled.

Review business for Planning Commission-

- Pre-application meeting attended Jan 10th for a Canine sperm bank on W. Arlington. Another pre-application was held for the demo and re-build of the AM/PM store and fuel station.
- Provide water supply information to a contractor for the new civic building at Portland Ave and Duniway.

Business Inspections and development proposal reviews-

- Inspected Latus Motors early December. Working out a suitable date with them for re-inspection.
- Inspected YMCA daycare facility first week of January. Minor corrections needed, will re-inspect in approximately 45 days.

From Deputy Chief Randy Hopperstad:

Clothing: Continue to order and distribute all types of clothing (T-shirts Uniforms etc) to all members as needed. Continue with inventory of supplies in the equipment room. Ordered class "A" uniforms for the remainder of officers and a few engineers.

Radio's and Pagers: We are still on the list for new radio's sometime in maybe late February or early March as there's some programming issues. Looking into purchasing 900 mhz pagers for all personal.

Repairs: T-392 had an issue with an output speed sensor, Dist. #1 was called and replaced the faulty part. This month we replaced the rear drive tires on T-392 (8 tires)

Logistics: I purchased supplies and ordered rest room and hand wash station for the burn-to-learn on West Arlington St. and loaded all equipment that we needed for the burn from the shop. GFD purchased particulate blocking fire hoods for everyone. These hoods block 98% of cancer causing particulates from getting on our skin.

From Captain Tighe Vroman Training:

Training and EMS started off 2019 with a number of activities and projects. January had a full month of training, with five, instead of four, scheduled Wednesday drill days, and another live fire training session. We also had a number of our personnel complete the NFPA Instructor I class, which culminated in a weekend long classroom session where the students taught multiple different training topics to apply the skills and techniques they have been learning the last couple months.

There were also a number of EMS projects and training items that I focused on this month. Two of our Wednesday drills were EMS oriented and I attended a planning session to organize the EMS training for the county wide Multi-Agency Training (MAT) coming up this spring. Also, I attended approximately 50 hours of outside EMS continuing education training in order to maintain my paramedic level EMS certifications and stay updated in current trends in EMS.

We hosted another Public Education event for a fire station and fire engine tour to a group of adults with developmental disabilities. This was the second part of the group we hosted in December. Captain Richard Newton, FF-A/O Tim Atkeson, and FF Zach Buchanan assisted me in showing approximately 25 attendees our personal protective equipment, station, engine and our fire/rescue equipment.

Training:

We held another live fire training exercise at the acquired training house on 310 W. Arlington on Saturday January 19th. In late December, the property owner notified me that he needed the house gone by mid-January to begin his next building project. He offered to let us burn it and we began the process to make that happen. The property owner complied with all necessary legal, DEQ and NFPA requirements in order for us to burn the structure. Gladstone Fire also met very specific requirements as outlined in NFPA 1403. It is not an easy process and requires a lot of planning and teamwork to make training like this happen! I'd like to thank the property owner, Tim Lundgren, as well as Chief Smith, Chief Hopperstad, and all the Gladstone firefighters that participated and made this training exercise possible!

Crews spent the morning practicing offensive fire attack scenarios, and the afternoon practicing defensive fire attack skills. This type of live fire training is hard to come by, but is very valuable as it is some of the most realistic training we can get short of responding to an actual fire emergency. The afternoon portion drew quite a crowd of spectators and onlookers. Asst. Chief Mike Funk did a great job working with our community members to explain fire safety messages and some of the techniques we use as firefighters to control fires. Thank you Chief Funk!





Also this month, Dr. Jason Schlenker of Schlenker Chiropractic & Associates donated his time to provide Gladstone Fire members training on functional fitness and exercise safety. Dr. Schlenker provided an excellent training session which highlighted the importance of stretching and functional fitness techniques geared toward firefighters. Also, he discussed a number of things so we exercise safely and avoid injury from overuse or improper technique. This is very beneficial as fitness is a huge part of a firefighter's ability to perform this job competently and effectively.

Finally, we had a number of GFD personnel working on completing a hybrid class to attain their NFPA Fire Instructor I certification. The skills taught in Fire Instructor I lay the foundation for adult learning, and teach skills and concepts which allow them to serve as educators in the fire service. This is a huge benefit to the individual attaining the certification, to our department and also to our community, as this instructional experience translates directly to the ability to teach community members fire safety and first aid skills.

The course also involved a 16-hour classroom session held at Gladstone Fire on January 26th and 27th. Students reviewed key concepts pertaining to being an effective instructor and performed a number of practical exercises putting what they learned to use. Students also had to give two prepared presentations to the class that required them to instruct topics in both a lecture format and a hands-on (psychomotor) format. Congratulations to the following GFD members for completing this class: ENG/AIC Phil Smith, ENG/AIC Eric Leibner, ENG Chris Scott, ENG Izaak Thoman, FF-A/O Time Atkeson and FF Kayla Anderson.

Other training related items of note for the month of January:

- The following GFD personnel attained increased levels of fire certification from the Department of Public Safety Standards and Training (DPSST).
 - Lt. Gabriel Wiggins- NFPA Fire Officer II
 - Lt. Barry Schafer- NFPA Fire Officer II
- FF Zach Buchanan completed his training and education to attain his NFPA Apparatus Equipped with Fire Pump certification. I will be submitting paperwork to DPSST for this certification in the next week. Zach is now considered a FF-A/O (Firefighter- Apparatus Operator) and is qualified to drive and operate GFD fire engines.
- FF-A/O Tim Atkeson completed his training and education to attain his NFPA Apparatus Equipped with Aerial Device certification. I will be submitting paperwork to DPSST for this certification in the next week. Tim will be promoted to the rank of Engineer and is now qualified to drive and operate Truck 392, as well as all other Gladstone Fire vehicles and apparatus.
- Captain Tighe Vroman successfully completed his IBSC board exams to become credentialed as a Certified Critical Care Paramedic. Captain Vroman now holds advanced level paramedic certification as both a Critical Care Paramedic and a Flight Paramedic.

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Congratulations to the aforementioned personnel for their hard work and dedication!

Emergency Medical Services:

Since we had five Wednesdays during this January, we had two scheduled EMS drills this month. The first EMS drill was a refresher training put on by Gladstone Police Department regarding child abuse and our requirement as Mandatory Reporters in the State of Oregon. We also reviewed updated procedures for interfacing with Gladstone Police officers when we are on a scene where a death has occurred and need to transition the scene from the Fire Department to the Police Department.

The second EMS drill for the month was the roll-out of the 2019 Tri-County EMS Protocols. The EMS protocols are the treatment and operations guidelines we are required to work under as EMS providers in Clackamas County. These EMS protocols are reviewed, updated and changed every year by the physicians that make up the Protocol Development Committee. Every year in January, we review and train on the protocol updates put out by the PDC and Clackamas County. The training also includes a knowledge based test that covers the protocol changes for the new year. All EMS personnel are required to review the EMS protocol changes and complete the test in order to continue practicing as an EMT at their respective certification level.

Other EMS related items of note for the month of January:

- The Clackamas County EMS Consortium has moved away from providing our EMS protocols in a paper format this year. All personnel were provided their EMS protocols in an electronic format by way of an app that can be accessed on smartphones, tablets and other electronic devices. This was a significant cost savings to Clackamas County. Gladstone Fire will still have a few paper copies printed to keep on our apparatus for reference in the event the electronic version is not accessible for whatever reason.
- Gladstone Fire received one scholarship to the Timberline EMS Conference that is put on by the East Clackamas County EMS association. The scholarship covers the cost of the pre-conference, conference and lodging for one student. We are excited to receive this opportunity and will be sending one of our Firefighter/EMTs.
- With our recent Patient Care Report (PCR) charting program from Image Trend being changed from a previous version, many of our personnel are struggling with writing PCRs in the updated version. Captain Newton and I have been researching electronic PCR programs that reduce the workload for our personnel and will meet the upcoming Clackamas County data reporting requirements for Quality Assurance (QA) purposes. The goal is to find a program that is more user friendly, provides the QA data we need, meets state and NEMSIS reporting requirements and is cost effective for Gladstone Fire. We have found a few programs that we like, but are getting bids and researching costs before making any recommendations.
- Two of our probationary firefighters, Charlie Stay and Jared Sturzenegger, have starting their EMT education at Clackamas Community College. Kayla Anderson is in her second term of EMT class and three of our members will be taking their EMT certification exams in the next month or so. FF-A/O Zach Buchanan has been accepted to Paramedic school and will be starting this Spring. Becoming certified as an EMT, and especially a Paramedic, is not an easy process and I would like to recognize all of our personnel working hard to attain their respective EMT certifications.

- Gladstone Fire has officially made the switch from the King Airway to the iGel as our supraglottic airway of choice. This gives our EMTs a great tool to provide excellent patient care and is a cost effective change for our EMS budget. Clackamas Fire is already using the iGel, with Clackamas AMR and Tualatin Valley Fire & Rescue planning to make the switch within the next year. Thanks to our Physician Advisor, Dr. Marc Houston, for supporting this project and all of our EMS personnel for performing the training and being prepared for this transition!

Finally, I'd like to highlight an incident that we responded to at the end of December. Gladstone Fire and AMR were dispatched on an Echo response for a reported Cardiac Arrest early Christmas morning. E391 responded with a crew of three and was the first fire or EMS unit on scene. E391 had a turnout time of 54 seconds, and arrived on scene from initial dispatch in four minutes. The crew found a patient down in cardiac arrest with CPR in progress, quickly taking over CPR and applying the defibrillator. AMR arrived next with Advanced Life Support. S390 also responded with two responders from home, both of them advanced level EMTs (one Intermediate and one Paramedic). Both GFD EMTs from S390 accompanied AMR in transporting the patient to the hospital where he received advanced cardiac level care. The patient was discharged from the hospital three days later, and returned home making a full recovery.

This is a great example of quick response, training and interagency cooperation coming together, which resulted in a life saved! Fire and EMS personnel from both Gladstone Fire and American Medical Response, as well as Gladstone Police and a C-Com dispatcher are being recognized for their exemplary performance at the next City Council meeting on February 12th at 18:30 hrs. Excellent work by all involved!

Gladstone Fire Recruit Testing and Academy 2018-01:

Five of the eleven candidates from the written testing process that occurred in December have moved on to the next step of the recruitment process. The written testing that was held in December consisted of the general knowledge written exam and the first two parts of the psychological evaluation, the PHQ and CPI tests. These five candidates are now undergoing a comprehensive background investigation being completed by Gladstone Police detectives. Also, while undergoing the background checks, these individuals will be participating in a physical ability test tentatively scheduled for the third weekend in February.

Nancy McDonald and I are looking at updating our general knowledge written exam to ensure the written exam being given is current and valid. It is called The National Firefighter Selection Test from Stanard & Associates, Inc., and is geared to firefighter recruitment testing.

From Captain Brost A Shift:

A good portion of the department was studying for something during January. Some members were studying for EMT, some were working on pumper or aerial operation qualifications, and a good number were working on becoming a certified Fire Instructor 1.

A company made every effort it could to help support members while they work on all of these personally and departmentally valuable things. While this doesn't leave much excitement to report about for the month, it was a valuable use of staff time.

A big "Thank You" goes to Capt. Vroman and crew for organizing such a wonderful training

opportunity as the acquired structure training burn we had January 19, 2019. A good number of A-Company was there. These trainings provide invaluable opportunities for firefighters to hone their skills and recognize strengths and learning opportunities throughout the department.

Notable Calls

Saturday, January 5 the area experienced a large wind storm. A-shift was on duty with Engineer Leibner and Capt. Brost. Lt. Wiggins joined us as we had 9 calls in less than 3 hours. These were a mix of trees hitting power lines and various medical calls. Great job, crew, on what became a pretty wild night.

From Captain Kirk Stempel B Shift:

With the start of 2019, January has been a very busy month with 131 calls for assistance. In the month of January, all of B shifts annual personnel performance evaluations have been completed and submitted.

SPECIAL OPERATIONS / TECH RESCUE:

The month of January has been an extremely busy month for special operations. Crews spent a Wednesday drill working on their rescue and fire service knots along with working as a team building rope systems used for hauling and lowering.



Dive training has started for our newest rescue trainee, Captain Tighe Vroman. Lt. Schafer and the rest of the team have been working close with Tighe to teach him the skills needed to be an open water diver. After his open water check out dive, Captain Vroman will start additional dive training to get his advanced open water certification.



I am currently working on getting our next Swift water rescue training class scheduled for the end of April; the plan is to have the same company do the instruction.

On January 14th, Captain Vroman and I spent the day with members of The Clackamas County Water Rescue Consortium looking at hazards in the Willamette Falls area, and running eighteen (18) miles of the Clackamas River for familiarization. This training proved to be extremely valuable as water conditions change year to year.



PIO:

Work continues at updating our city website, including new content and additional photos. Our Instagram and Twitter accounts are both doing well, great items being added to them daily.

OTHER ITEMS OF INTEREST:

On January 16th, members of The Gladstone Fire Department, along with The Gladstone Police Department, taught 40 Gladstone High School students' hands only CPR. With this training students now have a lifesaving skill.



On January 19th, B Shift attended our acquired house burn on West Arlington. This training provided exceptional live fire training for not only the newer members, but the senior firefighters and officers. The experience allowed many to complete task books and practice crew resource management, along with search and fire control.



From Captain Richard Newton C Shift:

It has been another busy month with training and evaluations. The training is ongoing with several people working on task books from aerial, pumper operator and firefighter 2 task books.



With every opportunity we are out in the community giving tours and talking with the citizens.



On Sunday January 13, 2019 C-shift was out training on ventilation techniques.



On January 19th, 2019 Gladstone fire conducted a training exercise. GFD was able to conduct some real live fire training. This type of training is very beneficial to all our department members.



Projects:

The Pre-fire plan project is up and running great at this time there's 348 plans. After several months of working with CCOM we're really close to having the pre-plans linked to the MDC. I plan on meeting with CCOM next month to go over what is in the CCOM system. The pre-fire plan project is headed to what we have known as the Cal Spa complex on 82nd Dr. The shift crews have been tagging along when we go out to these businesses. This is a great opportunity for the crews to get into these buildings.

The apparatus replacement plan project is coming along great. I'm currently working with the chief to finalize the plan.

City of Gladstone Staff Report

Report Date:

Meeting Date: February 12, 2019

To: Gladstone City Council

From: Jacque Betz, City Administrator, Reba Crocker ROW Manager

AGENDA ITEM

Resolution in Support of enacting H.R. 530, Reversing recent FCC actions relating to Wireless Facilities.

History/Background

Last year the FCC adopted regulations limiting the authority of cities and states to regulate small cell wireless sites (e.g., attachments to street light and utility poles) needed for the deployment of 5G. The FCC's regulations limit the type and amount of fees cities and states may charge, set "shot clocks" as low as 60 days for cities and states to authorize proposals, and limit non-fee requirements cities and states may institute. The regulations began taking effect on January 14, 2019. Nearly 100 cities, towns, counties, utility companies, and associations of localities have joined together in suing the FCC over these regulations.

5G is essential for our country's communications network and economy, but it must be deployed responsibly and equitably. The FCC allowed industry to write these regulations without sufficient input from local leaders. This has led to regulations that restrict cities from requiring carriers to meet the needs of communities in which they want to operate.

In January of 2019 Representative Anna Eshoo introduced Accelerating Wireless Broadband Development by Empowering Local Communities Act (H.R. 503, attached as Exhibit A).

Proposal

Adopt resolution in support of H.R. 530 and request congress also support H.R. 503.

Options

Reject resolution.

Cost Impact

Reversing the FCC actions will allow Gladstone to imposed fees that are reasonable.

Recommended Staff Action

Staff respectfully recommends adoption of the proposed resolution.

s/Reba Crocker
Department Head
Signature

Date

 Jacquie M Betz
City Administrator
Signature

Date

RESOLUTION 1155

RESOLUTION IN SUPPORT OF PROTECTING LOCAL CONTROL OVER PUBLIC STREETS AND PUBLIC ASSETS AND A CALL ON CONGRESS TO REAFFIRM SUCH LOCAL CONTROL BY REVERSING RECENT FCC ACTIONS RELATED TO WIRELESS FACILITIES BY ENACTING H.R. 530

WHEREAS, local governments have long been the stewards of local public streets and public assets (such as street lighting) vital to ensure the free flow people and goods and to maintain vibrant communities; and

WHEREAS, local governments have long advocated for universal access to reliable, high-speed broadband services, as these services are critical for the delivery of education, economic development, employment, and a variety of essential services necessary for success and progress in the 21st century; and

WHEREAS, local governments have been leaders in developing innovative solutions for ensuring reliable, high-speed broadband wireline and wireless services are widely available in their communities through their management of public streets and of other public assets in a manner that balances the competing interests and needs of various constituents; and

WHEREAS, by means of orders issued on August 2, 2018 and September 26, 2018, the Federal Communications Commission took unprecedented, sweeping action to prevent local governments from effectively managing public assets and to severely compromise their ability to manage the public streets effectively and equitably, taking into account considerations for public safety, public utility services such as water, sewer, and electricity, the travelling public, environmental concerns, and economic development; and further effectively requires local taxpayers to subsidize use of public streets and other public assets by the wireless industry; and

WHEREAS, the orders also adversely affect the ability of Oregon municipalities to deliver services safely and cost-effectively;

WHEREAS, Representative Anna Eshoo has introduced H.R. 530, legislation to overturn the FCC's actions of August 2 and September 26, 2018.

NOW, THEREFORE BE IT RESOLVED that the City of Gladstone, Oregon thanks Congresswoman Eshoo for her leadership and calls on Congress to enact, and President Trump to sign H.R. 530, or similar legislation to invalidate the recent actions taken by the Federal Communications Commission.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to Representatives Earl Blumenauer, Greg Walden, Kurt Schrader, Peter DeFazio and Suzanne

Bonamici and Senators Ron Wyden and Jeff Merkley with a request on behalf of the City of Gladstone Oregon that they support H.R. 530 or similar legislation

Duly passed by the City Council this _____ day of _____, 2019

ATTEST:

Tamara Stempel, Mayor

Tami Bannick, City Recorder

City of GLADSTONE



February 13, 2019

The Honorable Peter DeFazio
United States House of Representatives
2134 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Earl Blumenauer
United States House of Representatives
1111 Longworth House Office Building
Washington, D.C. 20515

The Honorable Greg Walden
United States House of Representatives
2185 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Kurt Schrader
United States House of Representatives
2431 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Suzanne Bonamici
United States House of Representatives
2231 Rayburn House Office Building
Washington, D.C. 20515

Re: *H.R. 503 – Accelerating Wireless Broadband Development by Empowering Local Communities Act*

Dear Representatives;

As the City of Gladstone, Oregon, and on behalf of the constituents we share, we request your leadership in co-sponsoring the Accelerating Wireless Broadband Development by Empowering Local Communities Act (H.R. 503), which Representative Anna Eshoo introduced on January 14, 2019.

H.R. 530 would return local governments' ability to balance competing interest for the use of the public rights-of-way by overturning actions of the Federal Communications Commission in August and September of 2017. While we support the Commission's goal of ensuring affordable broadband access for every American, the Commission's actions do nothing to achieve that goal and deny local governments the ability to manage the public rights-of-way effectively and

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

equitability, by taking into account considerations for public safety, public utility services such as water, sewer, and electricity, the traveling public, environmental concerns, economic development, and management and maintenance costs.

On February 12, 2019 Gladstone City Council passed a resolution calling on Congress to enact H.R. 530. We are pleased that Representative Eshoo values local control of our largest physical asset, the City's public rights-of-way, and we fully support H.R. 530.

Your co-sponsorship of H.R. 530 is critical to ensuring local governments have the necessary tools to manage local public assets in a manner that balances competing interests while encouraging responsible deployment of wireless broadband facilities.

Sincerely,

Tammy Stempel
Mayor

Randy Ripley
Councilor

Linda Neace
Councilor

Matt Tracy
Councilor

Neal Reisner
Councilor

Tracy Todd
Councilor

Thomas Mersereau
Councilor

cc:

The Honorable Ron Wyden
United States Senate
221 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Jeff Merkley
United States Senate
313 Hart Senate Office Building
Washington, D.C. 20510

.....
(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

To provide that certain actions by the Federal Communications Commission shall have no force or effect.

IN THE HOUSE OF REPRESENTATIVES

Ms. ESHOO introduced the following bill; which was referred to the Committee on _____

A BILL

To provide that certain actions by the Federal Communications Commission shall have no force or effect.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Accelerating
5 Broadband Development by Empowering Local Commu-
6 nities Act of 2019”.

1 **SEC. 2. PRESERVATION OF RIGHTS OF STATE AND LOCAL**
2 **GOVERNMENTS.**

3 Actions by the Federal Communications Commission
4 in “Accelerating Wireless and Wireline Broadband De-
5 ployment by Removing Barriers to Infrastructure Invest-
6 ment” (83 Fed. Reg. 51867) and the Federal Communica-
7 tions Commission’s Declaratory Ruling in “Third Report
8 and Order and Declaratory Ruling” (FCC 18–111) shall
9 have no force or effect.



REGULAR AGENDA

City of Gladstone Staff Report

Report Date: February 6, 2019
Meeting Date: February 12, 2019
To: City Council
From: Cathy Brucker, Interim Finance Director

AGENDA ITEM

Approval of the City of Gladstone Annual Financial Statements for the Fiscal Year Ended June 30, 2018.

History/Background

The City of Gladstone is required to prepare and file annually, with the Secretary of State/Audit Division, prescribed reports related to the financial condition of the City.

Merina & Company, LLP (the City Auditors) completed the audit of the annual financial statements, then met with the City of Gladstone Audit Committee on Thursday, January 31st, 2019 for review and discussion. The Audit Committee then recommended approval of the Annual Financial Statements for the FYE June 30, 2018.

Proposal

Annual filing of financial information is required by the Secretary of State/Audit Division by December 31st. Due to a combination of GASB pronouncement implementation and staffing issues, an extension request was filed for January 31st, 2019. Information was provided by that date to ensure timely compliance with State law.

Options

No other options have been considered.

Cost Impact

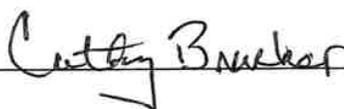
There is no cost impact related to this request.

Recommended Staff Action

Staff recommends approval of the City of Gladstone Annual Financial Report for the Fiscal Year Ended June 30, 2018.

Department Head
Signature

Date

 2/6/19

City Administrator
Signature

Date

 2/6/19

January 30, 2019

To the Honorable Mayor and City Council
City of 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 City of Gladstone, Oregon as of and for the year ended June 30, 2018, and have issued our report thereon dated January 30, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 30, 2018, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Gladstone solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Gladstone is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City of Gladstone implemented one new accounting pronouncement issued by the Governmental Accounting Standards Board (GASB). The pronouncement is:

- GASB Statement No. 75 Accounting and Financial Reporting for Postretirement Benefits other than Pension

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are described below.

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 net pension liability and other post-employment benefits liability are calculated based on information provided by the State of Oregon (PERS) that was determined by an actuary.

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

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Gladstone's financial statements relate to:

The disclosure of Capital Assets in Note 5 to the financial statements summarizes the changes in capital assets for the year ended June 30, 2018.

The disclosure of Long Term Debt Obligations in Note 8 to the financial statements summarizes the changes in long term debt for the year ended June 30, 2018.

The disclosure of the Joint Venture in Note 6 to the financial statements summarizes the joint venture known as the North Clackamas County Water Commission.

The disclosure of the City's Pension Plan in Note 9 to the financial statements describes the City's Pension Plan benefits, contributions, pension assets, liabilities, expense, deferred outflows/inflows of resources, and actuarial assumptions/projections.

The disclosure of the City's OPEB Plan in Note 10 to the financial statements describes the City's OPEB Plan benefits, contributions, OPEB assets, liabilities, expense, deferred outflows/inflows of resources, and actuarial assumptions/projections.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected 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 known and likely uncorrected misstatements of the financial statements with a total financial statement effect of \$10,988. Management has determined that the effect of the uncorrected misstatements are immaterial, both individually and in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, in a separate letter dated January 30, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. The City used a consultant to provide system-wide financial oversight and advice. The consultant also reviewed monthly statements regularly and was involved in all programmatic changes of the financial system.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of Gladstone, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Gladstone's auditors.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the schedule of proportionate share of the net pension liability, schedule of contributions - pension, schedule of proportionate share of the net OPEB liability(asset), schedule of contributions – retirement health insurance, schedule of contributions – implicit rate subsidy, and schedule of the City's changes in the total OPEB liability and related ratios which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit management's discussion and analysis, the schedule of proportionate share of the net pension liability, schedule of contributions - pension, schedule of proportionate share of the net OPEB liability(asset), schedule of contributions – retirement health insurance, schedule of contributions – implicit rate subsidy, and schedule of the City's changes in the total OPEB liability and related ratios and do not express an opinion or provide any assurance on this information.

We were engaged to report on the schedule of revenues, expenditures and changes in fund balances – budget and actual, as listed in the table of contents under RSI, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

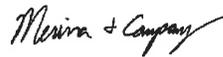
We were engaged to report on the other supplementary information, as listed in the table of contents, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing 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.

We were not engaged to report on the introductory section, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

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

If you should have any questions or comments, we would 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

CITY OF GLADSTONE, OREGON

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**
For the Fiscal Year Ended
June 30, 2018
with
Independent Auditor's Report

**MERINA
& COMPANY, LLP**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

7624 SW MOHAWK STREET • TUALATIN, OR 97062
PHONE: (503) 723-0300 • FAX: (503) 723-9946 • WWW.MERINA.COM

CITY OF GLADSTONE, OREGON
TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
City Officials.....	i
FINANCIAL SECTION	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis	4
<u>Basic Financial Statements</u>	11
Government-Wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities	13
Fund Financial Statements:.....	15
Governmental Funds:	
Balance Sheet.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	20
Proprietary Funds:	21
Statement of Net Position.....	22
Statement of Revenues, Expenses, and Changes in Net Position	23
Statement of Cash Flows.....	24
Fiduciary Funds:.....	25
Statement of Fiduciary Net Position	26
<u>Notes to the Basic Financial Statements</u>	27
<u>Required Supplementary Information</u>	58
Budgetary Comparison Schedules:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
General Fund.....	59
Road and Street Fund	60
Police and Communications Special Levy Fund.....	61
Fire and Emergency Services Special Levy Fund.....	62
Urban Renewal Agency Fund	63
Schedule of the Proportionate Share of the Net Pension Liability	64
Schedule of Contributions - Pension.....	65
Schedule of Proportionate Share of the Net OPEB Liability(Asset).....	66
Schedule of Contributions – Retirement Health Insurance.....	67
Schedule of Contributions – Implicit Rate Subsidy.....	68
Schedule of the City’s Changes in the Total OPEB Liability and Related Ratios	69
<u>Notes to the Required Supplementary Information</u>	70
<u>Other Supplementary Information</u>	73
Agency Fund Schedule of Changes in Assets and Liabilities	74
Budgetary Comparison Schedules:	75

CITY OF GLADSTONE, OREGON
TABLE OF CONTENTS

	<u>Page</u>
Schedule of Expenditures – Budget and Actual – General Fund	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Capital Project Funds – Non-major Governmental Funds:	
Library Capital Fund	77
Capital Project Funds – Major Governmental Funds:	
Civic Buildings Capital Fund	78
Enterprise Funds:.....	79
Water Fund	80
Sewer Fund.....	81
Storm Water Fund	82
<u>Independent Auditor’s Report on Compliance and on Internal Control Over Financial</u>	
<u>Reporting on an Audit of Financial Statements Performed in Accordance with</u>	
<u>Oregon State Regulations</u>	83

INTRODUCTORY SECTION

CITY OF GLADSTONE, OREGON
CITY OFFICIALS
June 30, 2018

City Officials

Term Expires

Tammy Stempel, Mayor
Gladstone, Oregon 97027

December 31, 2018

Council Members

Michael Milch
Gladstone, Oregon 97027

December 31, 2018

Matt Tracy
Gladstone, Oregon 97027

December 31, 2018

Thomas Mersereau
Gladstone, Oregon 97027

December 31, 2020

Neal Reisner
Gladstone, Oregon 97027

December 31, 2020

Patrick McMahon
Gladstone, Oregon 97027

December 31, 2018

Linda Neace
Gladstone, Oregon 97027

December 31, 2020

City Administrator

Jacque Betz
Gladstone, Oregon 97027

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council Members
City of Gladstone, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Gladstone, Oregon, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise City of Gladstone, Oregon's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

City of Gladstone, Oregon's 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 21 percent and 26 percent of assets and net position of the business-type activities respectively. 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Gladstone, Oregon, as of June 30, 2018, 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 14 to the financial statements, the City of Gladstone adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, 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, the schedule of proportionate share of the net pension liability, schedule of contributions - pension, schedule of proportionate share of the net OPEB liability(asset), schedule of contributions – retirement health insurance, schedule of contributions – implicit rate subsidy, and schedule of the City's changes in the total OPEB liability and related ratios, as listed in the table of contents under required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 30, 2019, on our consideration of City of Gladstone, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



For Merina & Company, LLP
Tualatin, Oregon
January 30, 2019

June 30, 2018
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, 2018.

Financial Highlights

The assets and deferred outflows of resources of the City of Gladstone exceeded the sum of its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$34,531,011 (net position). Of this amount, \$19,034,532 is the City's net investment in capital assets, \$9,671,367 is restricted for specific purposes, and \$5,825,112 (unrestricted) may be used to meet the City's obligations to creditors and to meet service expectations by its citizens. The City's total net position increased by \$1,575,868 from the prior year.

The City's governmental activities reported total net position of \$24,193,690. Of this amount \$1,218,751 is unrestricted and thus available for spending at the City's discretion.

The City's business-type activities reported total net position of \$10,337,321. Of this amount \$4,606,361 is unrestricted and thus available for spending at the City's discretion.

The City's governmental funds reported combined ending fund balances of \$13,103,946, an increase of \$1,424,786 compared to the prior year. The increase is primarily due to capital reserves for use in future years.

Overview of the Financial Statements

The Management Discussion and Analysis (MD&A) is intended to serve as an introduction to the City of Gladstone'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 required and 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the resulting difference between them 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 reserves 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 report on general government, public safety, highways and streets, culture and recreation and urban renewal functions. Urban renewal is considered a component of the City of Gladstone even though it publishes separate financial statements and management discussion and analysis. Business-type activities consist of water, sewer and storm water operations.

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 six 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, Road and Street Fund, Police and Communications Special Levy Fund, Fire and Emergency Services Special Levy Fund, Urban Renewal Agency Fund, and Civic Buildings Capital Fund. All of these funds are considered to be major funds. The Library Capital Fund, included in the previous year's statements, was closed and only appears in the other supplementary information section for budgetary comparison.

Proprietary Funds. Proprietary funds represent three segments of operations, water, sewer, and storm water, used to account for activities 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. The Municipal Court Fund is custodial in nature and does 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 the General Fund and special revenue funds is presented immediately following the notes to the basic financial statements.

Other Supplementary Information. The schedules for the other 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 \$34,531,011 at the close of the most recent fiscal year.

The following table reflects a Summary of Net Position for these fiscal years:

	Summary of Net Position					
	Governmental Activities		Business type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Cash and investments	\$ 12,963,310	\$ 11,286,796	\$ 2,472,561	\$ 2,488,256	\$ 15,435,871	\$ 13,775,052
Restricted cash and investments	376,601	587,067	758,474	617,308	1,135,075	1,204,375
Other assets	637,488	513,851	3,292,134	3,340,281	3,929,622	3,854,132
Capital assets	14,062,046	13,689,115	6,295,486	5,868,881	20,357,532	19,557,996
Total assets	<u>28,039,445</u>	<u>26,076,829</u>	<u>12,818,655</u>	<u>12,314,726</u>	<u>40,858,100</u>	<u>38,391,555</u>
Deferred outflows	<u>1,574,720</u>	<u>2,767,191</u>	<u>174,985</u>	<u>327,102</u>	<u>1,749,705</u>	<u>3,094,293</u>
Total assets and deferred outflows of resources	<u>\$ 29,614,165</u>	<u>\$ 28,844,020</u>	<u>\$ 12,993,640</u>	<u>\$ 12,641,828</u>	<u>\$ 42,607,805</u>	<u>\$ 41,485,848</u>
Current liabilities	\$ 778,889	\$ 633,660	\$ 970,531	\$ 640,308	\$ 1,749,420	\$ 1,273,968
Long-term liabilities	4,123,566	5,228,732	1,628,225	1,939,837	5,751,791	7,168,569
Total liabilities	<u>4,902,455</u>	<u>5,862,392</u>	<u>2,598,756</u>	<u>2,580,145</u>	<u>7,501,211</u>	<u>8,442,537</u>
Deferred inflows	<u>518,020</u>	<u>78,847</u>	<u>57,563</u>	<u>9,321</u>	<u>575,583</u>	<u>88,168</u>
Net position						
Net investment in capital assets	14,062,046	13,689,115	4,972,486	4,395,881	19,034,532	18,084,996
Restricted	8,912,893	7,804,062	758,474	617,308	9,671,367	8,421,370
Unrestricted	1,218,751	1,409,604	4,606,361	5,039,173	5,825,112	6,448,777
Total net position	<u>24,193,690</u>	<u>22,902,781</u>	<u>10,337,321</u>	<u>10,052,362</u>	<u>34,531,011</u>	<u>32,955,143</u>
Total assets and deferred inflows of resources and net position	<u>\$ 29,614,165</u>	<u>\$ 28,844,020</u>	<u>\$ 12,993,640</u>	<u>\$ 12,641,828</u>	<u>\$ 42,607,805</u>	<u>\$ 41,485,848</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 \$5,825,112 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 2018 and 2017:

	Governmental and Proprietary Activities					
	Governmental Activities		Business type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Receipts						
Program Receipts						
Charges for services	\$ 1,423,471	\$ 1,311,933	\$ 4,251,163	\$ 3,274,253	\$ 5,674,634	\$ 4,586,186
Operating grants and contributions	21,096	15,986	-	-	21,096	15,986
General receipts						
Property tax	5,781,299	5,505,396	-	-	5,781,299	5,505,396
Franchise fees and public service tax	2,197,496	1,678,501	-	-	2,197,496	1,678,501
Interest	291,896	179,576	-	-	291,896	179,576
Other	492,164	363,229	2,800	19,146	494,964	382,375
Total receipts	<u>\$ 10,207,422</u>	<u>\$ 9,054,621</u>	<u>\$ 4,253,963</u>	<u>\$ 3,293,399</u>	<u>\$ 14,461,385</u>	<u>\$ 12,348,020</u>
Expenses						
Governmental activities						
General government	\$ 1,664,515	\$ 2,499,999	\$ -	\$ -	\$ 1,664,515	\$ 2,499,999
Public safety	4,917,841	4,296,584	-	-	4,917,841	4,296,584
Highways and streets	649,629	755,293	-	-	649,629	755,293
Culture and recreation	1,556,141	1,549,966	-	-	1,556,141	1,549,966
Urban renewal	6,159	13,325	-	-	6,159	13,325
Business type activities						
Water	-	-	1,336,675	1,018,492	1,336,675	1,018,492
Sewer	-	-	2,012,248	2,376,924	2,012,248	2,376,924
Storm water	-	-	291,167	-	291,167	-
Total expenses	<u>\$ 8,794,285</u>	<u>\$ 9,115,167</u>	<u>\$ 3,640,090</u>	<u>\$ 3,395,416</u>	<u>\$ 12,434,375</u>	<u>\$ 12,510,583</u>
Change in net position before transfers	<u>1,413,137</u>	<u>(60,546)</u>	<u>613,873</u>	<u>(102,017)</u>	<u>2,027,010</u>	<u>(162,563)</u>
Transfers	\$ 257,810	\$ 129,683	\$ (257,810)	\$ (129,683)	\$ -	\$ -
Equity income (loss) in joint venture	-	-	(50,807)	(15,674)	(50,807)	(15,674)
Changes in net position	1,670,947	69,137	305,256	(247,374)	1,976,203	(178,237)
Beginning net position	22,902,781	22,833,644	10,052,362	10,299,736	32,955,143	33,133,380
Restatement	(380,038)	-	(20,297)	-	(400,335)	-
Beginning net position - restated	<u>22,522,743</u>	<u>22,833,644</u>	<u>10,032,065</u>	<u>10,299,736</u>	<u>32,554,808</u>	<u>33,133,380</u>
Ending net position	<u>\$ 24,193,690</u>	<u>\$ 22,902,781</u>	<u>\$ 10,337,321</u>	<u>\$ 10,052,362</u>	<u>\$ 34,531,011</u>	<u>\$ 32,955,143</u>

Governmental Activities. Governmental activities increased the City of Gladstone's net position by \$1,290,909.

Business-type Activities. Business-type activities increased the City of Gladstone's net position by \$284,959.

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 \$13,103,946.

	General Fund	Road and Street Fund	Police and Communications Special Levy Fund	Fire and Emergency Services Special Levy Fund	Urban Renewal Agency Fund	Civic Buildings Capital Fund	Total Governmental
Beginning Fund Balance	\$ 3,151,924	\$ 1,241,281	\$ 301,872	\$ 421,348	\$ 6,562,781	\$ (46)	\$ 11,679,160
Restatements (Note 9.C.11)*	(49,366)	(60,194)	(553)	(697)	-	-	(110,810)
Beginning Fund Balance-restated	3,102,558	1,181,087	301,319	420,651	6,562,781	(46)	11,568,350
Increase (decrease) - current year	476,074	344,664	(156,093)	4,932	828,361	37,658	1,535,596
Ending Fund Balance as of June 30, 2018	\$ 3,578,632	\$ 1,525,751	\$ 145,226	\$ 425,583	\$ 7,391,142	\$ 37,612	\$ 13,103,946

*restatement on the modified accrual basis

- General Fund increased 15.3 percent over the restated fund balance partially due to strong revenues in both property and public service taxes.
- Road and Street Fund increased due to reduced capital expenditure within the current year.
- Urban Renewal Fund increased 12.6 percent due to reserve of property taxes for capital use in future years for construction of the civic buildings.

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.

	Water Fund	Sewer Fund	Storm Water Fund	Total Business Type
Beginning Fund Balance	\$ 6,598,376	\$ 3,453,986	\$ -	\$ 10,052,362
Restatements (Note 9.C.11)*	(11,019)	(9,278)	-	(20,297)
Beginning Fund Balance-restated	6,587,357	3,444,708	-	10,032,065
Increase (decrease) - current year	110,670	122,927	71,659	305,256
Ending Fund Balance as of June 30, 2018	\$ 6,698,027	\$ 3,567,635	\$ 71,659	\$ 10,337,321

*restatements on the GAAP basis

- All business type funds had modest gains due to rate increases in user fees.

Budgetary Highlights

Changes to the city budget included appropriation from an object classification format to an organizational category, as permitted through a supplemental budget transfer process as outlined in ORS 294.456(3). Furthermore, a supplemental budget adjustment was completed for the General Fund and Police & Communication Special Levy Fund to recognize additional grant revenues received and associated appropriations.

Capital Assets and Debt Administration

The following tables compare capital assets and changes in capital assets as of June 30, 2018 and June 30, 2017:

	Capital Assets at Year End (Net of Depreciation)					
	Governmental Activities		Business type Activities		Total Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 6,498,106	\$ 6,498,106	\$ 640,964	\$ 640,964	\$ 7,139,070	\$ 7,139,070
Buildings	3,158,635	3,096,296	9,280	9,942	3,167,915	3,106,238
Vehicles and Equipment	1,112,560	971,520	542,830	40,676	1,655,390	1,012,196
Intangible Assets	193,370	11,066	18,820	-	212,190	11,066
Infrastructure	3,099,375	3,112,127	5,083,592	5,177,299	8,182,967	8,289,426
Total	\$ 14,062,046	\$ 13,689,115	\$ 6,295,486	\$ 5,868,881	\$ 20,357,532	\$ 19,557,996

	Changes in Capital Assets					
	Governmental Activities		Business type Activities		Total Government	
	2018	2017	2018	2017	2018	2017
Beginning Balance	\$ 13,689,115	\$ 12,663,818	\$ 5,868,881	\$ 6,068,515	\$ 19,557,996	\$ 18,732,333
Additions	859,541	1,440,385	662,221	40,411	1,521,762	1,480,796
Depreciation	(484,203)	(415,088)	(235,616)	(240,045)	(719,819)	(655,133)
Deletions	(2,407)	-	-	-	(2,407)	-
Ending Balance	\$ 14,062,046	\$ 13,689,115	\$ 6,295,486	\$ 5,868,881	\$ 20,357,532	\$ 19,557,996

Long-term Debt. At June 30, 2018, the City had bonded debt outstanding of \$1,323,000 compared to \$1,464,000 at June 30, 2017. 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 approximately \$45 million.

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. However, infill development is occurring, along with the start of a formalized downtown revitalization.

Gladstone voters approved a new Civic Center Buildings ballot measure in November of 2015. This ballot measure allowed the City to acquire property in the Portland Avenue area and construct a Police Station and City Hall that will serve the City of Gladstone. The estimated cost of the new facilities is \$13.3 million. Funding sources include urban renewal funds of \$6.5 million combined with long term debt of \$6.8 million. Design began in June, 2018 with an

estimated completion of construction in mid-2020.

The City will be entering the final year of the first biennium budget cycle (July 1, 2017 through June 30, 2019) to be utilized in Gladstone. The final fiscal year revenues are anticipated to exceed expenditures.

Requests for Information. The City's financial statements are designed to present to City taxpayers, customers, investors and creditors with a general overview of the finances and accountability of Gladstone. If you have any questions about the report, or need additional information, please contact Cathy Brucker, Interim Finance Director, at 525 Portland Ave., Gladstone, OR 97027; (503) 479-6860; or finance@ci.gladstone.or.us.

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

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

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

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

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CITY OF GLADSTONE, OREGON
STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Cash and investments	\$ 12,945,598	\$ 2,472,561	\$ 15,418,159
Cash with county treasurer	17,712	-	17,712
Accounts receivable	234,070	560,587	794,657
Property tax receivable	363,201	-	363,201
Interest receivable	4,270	815	5,085
Prepaid expenses	35,947	-	35,947
Total current assets	<u>13,600,798</u>	<u>3,033,963</u>	<u>16,634,761</u>
Noncurrent assets:			
Restricted cash and investments	376,601	758,474	1,135,075
Assessments receivable	-	2,547	2,547
Investment in joint venture	-	2,728,185	2,728,185
Capital assets:			
Non depreciable	6,640,448	640,964	7,281,412
Depreciable, net	7,421,598	5,654,522	13,076,120
Total noncurrent assets	<u>14,438,647</u>	<u>9,784,692</u>	<u>24,223,339</u>
Total assets	<u>28,039,445</u>	<u>12,818,655</u>	<u>40,858,100</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflow related to pension	1,574,240	174,932	1,749,172
Deferred outflow related to opeb	480	53	533
Total deferred outflows of resources	<u>1,574,720</u>	<u>174,985</u>	<u>1,749,705</u>
Total assets and deferred outflows of resources	<u>\$ 29,614,165</u>	<u>\$ 12,993,640</u>	<u>\$ 42,607,805</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 441,883	\$ 727,048	\$ 1,168,931
Interest payable	-	13,098	13,098
Accrued compensated absences	251,268	35,844	287,112
Bonds payable - current maturity	-	153,000	153,000
Other current liabilities	85,738	41,541	127,279
Total current liabilities	<u>778,889</u>	<u>970,531</u>	<u>1,749,420</u>
Noncurrent liabilities:			
Net pension liability	3,623,550	402,652	4,026,202
OPEB liability	500,016	55,573	555,589
Noncurrent portion of long-term obligations	-	1,170,000	1,170,000
Total noncurrent liabilities	<u>4,123,566</u>	<u>1,628,225</u>	<u>5,751,791</u>
Total liabilities	<u>4,902,455</u>	<u>2,598,756</u>	<u>7,501,211</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflow related to pension	512,737	56,977	569,714
Deferred inflow related to opeb	5,283	586	5,869
Total deferred inflows of resources	<u>518,020</u>	<u>57,563</u>	<u>575,583</u>
NET POSITION:			
Net investment in capital assets	14,062,046	4,972,486	19,034,532
Restricted for:			
Street operations	1,521,751	-	1,521,751
System development	-	758,474	758,474
Urban Renewal development	7,391,142	-	7,391,142
Unrestricted	1,218,751	4,606,361	5,825,112
Total net position	<u>24,193,690</u>	<u>10,337,321</u>	<u>34,531,011</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 29,614,165</u>	<u>\$ 12,993,640</u>	<u>\$ 42,607,805</u>

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

CITY OF GLADSTONE, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
General government	\$ 1,664,515	\$ 1,014,856	\$ 21,096
Public safety	4,917,841	408,615	-
Highways and streets	649,629	-	-
Urban and renewal	6,159	-	-
Culture and recreation	1,556,141	-	-
Total governmental activities	<u>8,794,285</u>	<u>1,423,471</u>	<u>21,096</u>
Business-type activities:			
Water Fund	1,336,675	1,582,357	-
Sewer Fund	2,012,248	2,267,980	-
Storm Water Fund	291,167	400,826	-
Total business type activities	<u>3,640,090</u>	<u>4,251,163</u>	<u>-</u>
Total government	<u>\$ 12,434,375</u>	<u>\$ 5,674,634</u>	<u>\$ 21,096</u>

General revenues:

- Taxes:
 - Property taxes
 - Public service taxes
- Franchise fees
- Grants and contributions not restricted to specific programs
- Interest and investment earnings
- Gain (loss) in joint venture
- Miscellaneous
- Transfers in (out)

Total general revenues and transfers

Change in net position

Net position - beginning

Cumulative effect of restatement

Net position - beginning as restated

Net position - ending

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

Net Expense Revenue and Change in Net Position		
Governmental Activities	Business Type Activities	Total
\$ (628,563)	\$ -	\$ (628,563)
(4,509,226)	-	(4,509,226)
(649,629)	-	(649,629)
(6,159)	-	(6,159)
(1,556,141)	-	(1,556,141)
<u>(7,349,718)</u>	<u>-</u>	<u>(7,349,718)</u>
-	245,682	245,682
-	255,732	255,732
-	109,659	109,659
<u>-</u>	<u>611,073</u>	<u>611,073</u>
<u>(7,349,718)</u>	<u>611,073</u>	<u>(6,738,645)</u>
5,781,299	-	5,781,299
1,160,600	-	1,160,600
1,036,896	-	1,036,896
382,659	-	382,659
291,896	-	291,896
-	(50,807)	(50,807)
109,505	2,800	112,305
257,810	(257,810)	-
<u>9,020,665</u>	<u>(305,817)</u>	<u>8,714,848</u>
1,670,947	305,256	1,976,203
22,902,781	10,052,362	32,955,143
(380,038)	(20,297)	(400,335)
<u>22,522,743</u>	<u>10,032,065</u>	<u>32,554,808</u>
<u>\$ 24,193,690</u>	<u>\$ 10,337,321</u>	<u>\$ 34,531,011</u>

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

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.

Road and Street Fund

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

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.

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.

Civic Center Capital Project Fund

The Civic Center Capital Project Fund accounts for the construction of the City's new police station and city hall administration offices. The primary source of funding are dedicated debt proceeds and Urban Renewal funds.

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CITY OF GLADSTONE, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2018

	<u>General Fund</u>	<u>Road and Street Fund</u>	<u>Police and Communications Special Levy Fund</u>
ASSETS:			
Cash and investments	\$ 3,555,080	\$ 1,338,656	\$ 141,502
Restricted cash and investments	-	376,601	-
Cash with county treasurer	12,421	-	1,753
Accounts receivable	176,700	-	-
Property taxes receivable	253,186	-	35,744
Interest Receivable	2,990	-	422
Due from other governments	57,370	-	-
Prepaid Expenses	35,947	-	-
	<u>\$ 4,093,694</u>	<u>\$ 1,715,257</u>	<u>\$ 179,421</u>
LIABILITIES:			
Accounts payable	\$ 190,221	\$ 188,911	\$ -
Other current liabilities	83,999	595	194
	<u>274,220</u>	<u>189,506</u>	<u>194</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues - property taxes	240,842	-	34,001
	<u>240,842</u>	<u>-</u>	<u>34,001</u>
FUND BALANCES:			
Non-Spendable:			
Prepays	35,947	-	-
Restricted:			
Street operations	-	1,525,751	-
Civic Center Capital Project	-	-	-
Urban Renewal development	-	-	-
Assigned:			
Police services	-	-	145,226
Fire and emergency services	-	-	-
Unassigned	3,542,685	-	-
	<u>3,578,632</u>	<u>1,525,751</u>	<u>145,226</u>
Total fund balance	<u>\$ 4,093,694</u>	<u>\$ 1,715,257</u>	<u>\$ 179,421</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,093,694</u>	<u>\$ 1,715,257</u>	<u>\$ 179,421</u>

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.

Pension related changes

OPEB related changes

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

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

Fire and Emergency Services Special Levy Fund	Urban Renewal Agency Fund	Civic Buildings Capital Fund	Total Governmental
\$ 425,120	\$ 7,385,250	\$ 99,990	\$ 12,945,598
-	-	-	376,601
800	2,738	-	17,712
-	-	-	176,700
16,301	57,970	-	363,201
191	665	-	4,268
-	-	-	57,370
-	-	-	35,947
<u>\$ 442,412</u>	<u>\$ 7,446,623</u>	<u>\$ 99,990</u>	<u>\$ 13,977,397</u>
\$ 373	\$ -	\$ 62,378	\$ 441,883
950	-	-	85,738
<u>1,323</u>	<u>-</u>	<u>62,378</u>	<u>527,621</u>
15,506	55,481	-	345,830
<u>15,506</u>	<u>55,481</u>	<u>-</u>	<u>345,830</u>
-	-	-	35,947
-	-	-	1,525,751
-	-	37,612	37,612
-	7,391,142	-	7,391,142
-	-	-	145,226
425,583	-	-	425,583
-	-	-	3,542,685
<u>425,583</u>	<u>7,391,142</u>	<u>37,612</u>	<u>13,103,946</u>
<u>\$ 442,412</u>	<u>\$ 7,446,623</u>	<u>\$ 99,990</u>	
			14,062,046
			(2,562,047)
			(504,819)
			345,832
			<u>(251,268)</u>
			<u>\$ 24,193,690</u>

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

CITY OF GLADSTONE, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018

	General Fund	Road and Street Fund	Police and Communications Special Levy Fund
REVENUES:			
Property taxes	\$ 4,035,720	\$ -	\$ 569,721
Public service taxes	414,645	745,955	-
Franchise taxes	1,036,896	-	-
Grants	382,659	-	-
Charges for services	70,936	-	-
Licenses and permits	138,401	-	-
Fines and forfeitures	408,615	-	-
Special assessments	774,089	31,430	-
Contributions and donations	21,096	-	-
Interest	150,014	-	5,845
Miscellaneous	97,166	14,744	-
	<u>7,530,237</u>	<u>792,129</u>	<u>575,566</u>
Total revenues			
	<u>7,530,237</u>	<u>792,129</u>	<u>575,566</u>
EXPENDITURES:			
Current:			
General government	1,570,977	-	-
Public safety	3,627,511	-	708,108
Highways and streets	-	427,308	-
Urban and renewal	-	-	-
Culture and recreation	1,418,479	-	-
Capital outlay	318,951	371,872	54,006
	<u>6,935,918</u>	<u>799,180</u>	<u>762,114</u>
Total expenditures			
	<u>6,935,918</u>	<u>799,180</u>	<u>762,114</u>
Revenues over (under) expenditures	594,319	(7,051)	(186,548)
OTHER FINANCING SOURCES (USES):			
Transfers in	147,930	415,895	45,000
Transfers out	(266,175)	(64,180)	(14,545)
	<u>(118,245)</u>	<u>351,715</u>	<u>30,455</u>
Total other financing sources (uses)			
	<u>(118,245)</u>	<u>351,715</u>	<u>30,455</u>
Net changes in fund balances	476,074	344,664	(156,093)
FUND BALANCES, BEGINNING	<u>3,102,558</u>	<u>1,181,087</u>	<u>301,319</u>
FUND BALANCES, ENDING	<u>\$ 3,578,632</u>	<u>\$ 1,525,751</u>	<u>\$ 145,226</u>

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

Fire and Emergency Services Special Levy Fund	Urban Renewal Agency Fund	Civic Buildings Capital Fund	Total Governmental
\$ 259,802	\$ 886,788	\$ -	\$ 5,752,031
-	-	-	1,160,600
-	-	-	1,036,896
-	-	-	382,659
-	-	-	70,936
-	-	-	138,401
-	-	-	408,615
-	-	-	805,519
-	-	-	21,096
8,305	127,732	-	291,896
-	-	-	111,910
<u>268,107</u>	<u>1,014,520</u>	<u>-</u>	<u>10,180,559</u>
-	-	-	1,570,977
221,463	-	-	4,557,082
-	-	-	427,308
-	6,159	-	6,159
-	-	-	1,418,479
35,597	-	142,342	922,768
<u>257,060</u>	<u>6,159</u>	<u>142,342</u>	<u>8,902,773</u>
11,047	1,008,361	(142,342)	1,277,786
-	-	180,000	788,825
(6,115)	(180,000)	-	(531,015)
<u>(6,115)</u>	<u>(180,000)</u>	<u>180,000</u>	<u>257,810</u>
4,932	828,361	37,658	1,535,596
420,651	6,562,781	(46)	11,568,350
<u>\$ 425,583</u>	<u>\$ 7,391,142</u>	<u>\$ 37,612</u>	<u>\$ 13,103,946</u>

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

CITY OF GLADSTONE, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018

Amounts reported in the statement of activities are different because:

Net change in fund balances	\$ 1,535,596
Governmental funds report pension contributions as expenditures. However, in the statements of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	(239,983)
The statements of activities reports changes in OPEB liability as an expense, whereas these amounts are not reported in the fund statements.	(17,267)
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.	372,933
Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.	29,268
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(9,600)</u>
Change in net position of governmental activities	<u><u>\$ 1,670,947</u></u>

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, 2018**

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Storm Water Fund	Total
ASSETS:				
Current assets:				
Cash and investments	\$ 1,560,780	\$ 777,004	\$ 134,777	\$ 2,472,561
Trade accounts receivable	169,792	360,459	30,336	560,587
Interest receivable	-	815	-	815
Total current assets	<u>1,730,572</u>	<u>1,138,278</u>	<u>165,113</u>	<u>3,033,963</u>
Noncurrent assets:				
Assessments receivable	-	2,547	-	2,547
Restricted cash	474,188	264,161	20,125	758,474
Investment in joint venture	2,728,185	-	-	2,728,185
Capital assets:				
Non-depreciable	129,414	511,550	-	640,964
Depreciable	3,336,069	2,179,585	138,868	5,654,522
Total noncurrent assets	<u>6,667,856</u>	<u>2,957,843</u>	<u>158,993</u>	<u>9,784,692</u>
Total assets	<u>8,398,428</u>	<u>4,096,121</u>	<u>324,106</u>	<u>12,818,655</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	73,759	68,961	32,212	174,932
Other post employment	22	21	10	53
Total deferred outflows of resources	<u>73,781</u>	<u>68,982</u>	<u>32,222</u>	<u>174,985</u>
Total assets & deferred outflows of resources	<u>\$ 8,472,209</u>	<u>\$ 4,165,103</u>	<u>\$ 356,328</u>	<u>\$ 12,993,640</u>
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ 209,975	\$ 328,269	\$ 188,804	\$ 727,048
Interest payable	13,098	-	-	13,098
Accrued payroll payable	765	1,954	-	2,719
Accrued compensated absences	1,978	32,832	1,034	35,844
Bonds payable - current maturity	153,000	-	-	153,000
Due to other agency (SDC pass-through)	-	30,992	-	30,992
Other	7,830	-	-	7,830
Total current liabilities	<u>386,646</u>	<u>394,047</u>	<u>189,838</u>	<u>970,531</u>
Noncurrent liabilities:				
OPEB liability	23,490	21,999	10,084	55,573
Bonds payable	1,170,000	-	-	1,170,000
Net pension liability	169,776	158,732	74,144	402,652
Total noncurrent liabilities	<u>1,363,266</u>	<u>180,731</u>	<u>84,228</u>	<u>1,628,225</u>
Total liabilities	<u>1,749,912</u>	<u>574,778</u>	<u>274,066</u>	<u>2,598,756</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	24,024	22,461	10,492	56,977
Other post employment	246	229	111	586
Total deferred inflows of resources	<u>24,270</u>	<u>22,690</u>	<u>10,603</u>	<u>57,563</u>
NET POSITION:				
Net investment in capital assets	2,142,483	2,691,135	138,868	4,972,486
Restricted for:				
System development	474,188	264,161	20,125	758,474
Unrestricted	4,081,356	612,339	(87,334)	4,606,361
Total net position	<u>6,698,027</u>	<u>3,567,635</u>	<u>71,659</u>	<u>10,337,321</u>
Total liabilities, deferred inflows & net position	<u>\$ 8,472,209</u>	<u>\$ 4,165,103</u>	<u>\$ 356,328</u>	<u>\$ 12,993,640</u>

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, 2018

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Storm Water Fund	Total
OPERATING REVENUES:				
Service charges	\$ 1,464,303	\$ 2,161,781	\$ 344,322	\$ 3,970,406
Connection and installation fees	7,035	9,375	-	16,410
System development charge	111,019	96,824	56,504	264,347
Miscellaneous	100	2,700	-	2,800
Total operating revenues	1,582,457	2,270,680	400,826	4,253,963
OPERATING EXPENSES:				
Purchases	552,337	1,661,855	-	2,214,192
Salaries and fringe benefits	355,727	166,468	211,201	733,396
Contract charges	89,072	24,729	41,510	155,311
Connection turnovers	-	9,375	-	9,375
Maintenance and repairs	130,806	45,805	28,365	204,976
Utilities	17,163	1,639	724	19,526
Depreciation	144,570	90,574	472	235,616
Supplies	14,226	11,092	8,621	33,939
Miscellaneous	6,579	711	274	7,564
Total operating expenses	1,310,480	2,012,248	291,167	3,613,895
Operating income (loss)	271,977	258,432	109,659	640,068
NON-OPERATING REVENUES (EXPENSES):				
Interest expense	(26,195)	-	-	(26,195)
Gain (loss) in joint venture	(50,807)	-	-	(50,807)
Total non-operating revenues (expenses)	(77,002)	-	-	(77,002)
Income before transfers	194,975	258,432	109,659	563,066
TRANSFERS:				
Transfers in (out)	(84,305)	(135,505)	(38,000)	(257,810)
Change in net position	110,670	122,927	71,659	305,256
NET POSITION, BEGINNING	6,598,376	3,453,986	-	10,052,362
Restatement	(11,019)	(9,278)	-	(20,297)
NET POSITION, BEGINNING AS RESTATED	6,587,357	3,444,708	-	10,032,065
NET POSITION, ENDING	\$ 6,698,027	\$ 3,567,635	\$ 71,659	\$ 10,337,321

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, 2018**

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Storm Water Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 1,569,261	\$ 2,316,465	\$ 370,490	\$ 4,256,216
Cash paid to employees for salaries and benefits	(297,953)	(239,053)	(147,558)	(684,564)
Cash paid to suppliers and others	(675,087)	(1,770,226)	109,310	(2,336,003)
Net cash provided by operating activities	596,221	307,186	332,242	1,235,649
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers in (out)	(84,305)	(135,505)	(38,000)	(257,810)
Net cash provided (used) by non-capital financing activities	(76,475)	(135,505)	(38,000)	(249,980)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	(166,778)	(356,103)	(139,340)	(662,221)
Principal paid on capital debt	(150,000)	-	-	(150,000)
Interest paid on capital debt	(27,680)	-	-	(27,680)
Net cash used by capital and related financing activities	(344,458)	(356,103)	(139,340)	(839,901)
Net increase in cash and cash equivalents	175,288	(184,422)	154,902	145,768
CASH AND CASH EQUIVALENTS, BEGINNING	1,859,680	1,225,587	-	3,085,267
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 2,034,968</u>	<u>\$ 1,041,165</u>	<u>\$ 154,902</u>	<u>\$ 3,231,035</u>
COMPRISED AS FOLLOWS:				
Unrestricted	\$ 1,560,780	\$ 777,004	\$ 134,777	\$ 2,472,561
Restricted	474,188	264,161	20,125	758,474
Total cash and cash equivalents	<u>\$ 2,034,968</u>	<u>\$ 1,041,165</u>	<u>\$ 154,902</u>	<u>\$ 3,231,035</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (loss)	\$ 271,977	\$ 258,432	\$ 109,659	\$ 640,068
Adjustments:				
Depreciation	144,570	90,574	472	235,616
Decrease (increase) in:				
Accounts receivable	12,883	14,793	(30,336)	(2,660)
Deferred outflows related to pension	13,140	171,199	(32,222)	152,117
Increase (decrease) in:				
Accounts payable and accrued expenses	135,095	(15,020)	188,804	308,879
Other liabilities	(26,078)	30,992		4,914
Accrued compensated absences	(919)	6,970	1,034	7,085
Deferred inflows related to pension	21,793	15,846	10,603	48,242
Pension liability	12,392	(276,151)	74,144	(189,615)
OPEB obligation	11,368	9,551	10,084	31,003
Net cash provided by operating activities	<u>\$ 596,221</u>	<u>\$ 307,186</u>	<u>\$ 332,242</u>	<u>\$ 1,235,649</u>
NON-CASH CAPITAL FINANCING ACTIVITIES				
NON-CASH INFORMATION:				
Increase (decrease) in joint venture	<u>\$ (50,807)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,807)</u>

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 Trust Fund

The Municipal Court 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, 2018

	<u>Agency Funds</u>
ASSETS:	
Cash and investments	<u>\$ 50,924</u>
LIABILITIES:	
Other current liabilities	<u>\$ 50,924</u>
NET POSITION:	
Unassigned	<u>-</u>
Total liabilities and net position	<u>\$ 50,924</u>

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

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

1. Summary of Significant Accounting Policies

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (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 is a municipal corporation that 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.

As required by GAAP, these financial statements present the City and its component unit (Gladstone Urban Renewal Agency), an entity for which the City 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 within the City's financial statements. The Gladstone Urban Renewal Agency has a June 30 year-end. 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's financial report.

North Clackamas County Water Commission

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. The City reports its participation in the joint venture on the equity method, consistent with GAAP (see Note 6).

B. Basic Financial Statements

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

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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.

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.

GAAP 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 supplementary information.

The City reports all governmental funds as major 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.

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 *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 are used to support the costs of additional police personnel.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

The *Fire and Emergency Services Special Levy Fund* accounts for the receipts and expenditure of taxes received from a five-year local option levy. Proceeds from the levy are used to support the costs of additional fire personnel and equipment purchases.

The *Civic Buildings Capital Fund* accounts for resources accumulated and expended for land and other capital costs associated with acquisition or construction of City buildings.

The City reports each of its three 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*
- *Storm Water 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 fund is an agency fund. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City reports the *Municipal Court Trust Fund* as a fiduciary fund.

D. Measurement Focus and Basis of Accounting

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

The Government-Wide Financial Statements and the Proprietary Funds Financial Statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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. 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.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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 operations 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 deferred inflow of resources created on the Governmental Fund Balance Sheet for unavailable revenue is eliminated. Note that deferred inflow of resources may 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. 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 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 basic financial statements.

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, Sewer and Storm Water Funds are charges to customers for sales and services. The Water, Sewer and Storm Water 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.

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 an original 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.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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.

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 of 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 in the General Fund used for those balances not assigned to another category. Deficit balances in other governmental funds are also reported as unassigned.

I. Use of Restricted Resources

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

J. Receivables and Payables

Property taxes receivable in the governmental fund types, which have been collected within sixty days following year end, are considered measurable and available and are recognized as revenues in Governmental Funds. All other property taxes receivable for the governmental fund types are offset by deferred 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.”

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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. No provision for uncollectible accounts has been made for receivables in proprietary funds as management believes balances are collectable.

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 government-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 capital 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, 2018.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation included in the balances reported 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*

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 GAAP for joint ventures. Under the equity method, the investment in the joint venture is increased or decreased by the City’s equity in the increase or decrease in the net position of the joint venture. Profit on operating transactions between the City and the joint venture is eliminated in the calculation of this equity interest. Non-operating transactions increase or decrease the investment in the joint venture.

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.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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, Sewer Fund and Storm Water 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.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The City has two items that qualify for reporting in this category, the deferred amounts relating to pensions and other post-employment benefits. These amounts are deferred and recognized as an outflow of resources in the period when the City's recognizes these expenses/expenditures. Deferred outflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position, if applicable.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The City also reports deferred inflows of resources related to pensions and other post-employment benefits. These amounts are deferred and recognized as an inflow of resources in the period when the City's recognizes pension and other post-employment benefits income. Deferred inflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position, if applicable.

P. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's two separate plans, the Implicit Rate Subsidy and Oregon Public Employees Retirement

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

Systems (OPERS), and additions to/deductions from Implicit Rate Subsidy and OPERS's fiduciary net position have been determined on the same basis as they are reported by Implicit Rate Subsidy and OPERS. For this purpose, Implicit Rate Subsidy and OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

R. Net Position

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation, less outstanding principal of capital-related debt. Net investment 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). The remaining net position is considered unrestricted.

S. Accounting Estimates

The preparation of financial statements in conformity with GAAP 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 estimates.

2. Cash and Investments

At June 30, 2018 investments of the City consist of the following:

	Weighted Average Maturity (Years)	Fair Value
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 15,932,518
Municipal bond	9.80	38,819
		<u>\$ 15,971,337</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

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

registered with the SEC as an investment company and is unrated. The City also invests in U.S. government obligations and agency obligation and commercial paper with a Standard & Poor's rating of A or better.

C. Concentration of credit risk

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

D. Custodial credit risk – deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a deposit policy addressing custodial credit risk. 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. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2018, the book value of the City's deposits was \$581,352 and the bank balance was \$690,325. None of the City's bank balances were exposed to custodial credit risk as they were fully insured or collateralized under PFCP.

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, 2018, 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.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

4. Interfund Transfers

Transfers between funds during the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ 147,930	\$ 266,175
Road & Street Fund	415,895	64,180
Police / Communications Fund	45,000	14,545
Fire / Emergency Services Fund	-	6,115
Urban Renewal Fund	-	180,000
Civic Buildings	180,000	-
Total Governmental Funds	<u>788,825</u>	<u>531,015</u>
Proprietary Funds		
Sewer Fund	-	135,505
Water Fund	-	84,305
Storm Water Fund	-	38,000
Total Proprietary Funds	<u>-</u>	<u>257,810</u>
Total All Funds	<u>\$ 788,825</u>	<u>\$ 788,825</u>

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

5. Capital Assets

Capital asset activity for the year ended June 30, 2018 is as follows:

Primary Government	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, non-depreciable:				
Land	\$ 6,498,106	\$ -	\$ -	\$ 6,498,106
Construction in progress	-	142,342	-	142,342
Total capital assets, non-depreciable	6,498,106	142,342	-	6,640,448
Capital assets, depreciable:				
Intangible assets	70,436	212,947	-	283,383
Buildings, structures and improve	4,906,354	7,433	-	4,913,787
Equipment	1,366,951	57,513	(17,562)	1,406,902
Vehicles	3,717,803	348,740	(483,365)	3,583,178
Infrastructure	4,060,334	90,566	-	4,150,900
Total capital assets, depreciable	14,121,878	717,199	(500,927)	14,338,150
Total assets	20,619,984	859,541	(500,927)	20,978,598
Less accumulated depreciation for:				
Intangible assets	(59,370)	(30,643)	-	(90,013)
Buildings, structures and improve	(1,810,058)	(87,436)	-	(1,897,494)
Equipment	(1,292,573)	(45,296)	17,562	(1,320,307)
Vehicles	(2,820,661)	(217,510)	480,958	(2,557,213)
Infrastructure	(948,207)	(103,318)	-	(1,051,525)
Total accumulated depreciation	(6,930,869)	(484,203)	498,520	(6,916,552)
Net depreciable capital assets	7,191,009	232,996	(2,407)	7,421,598
Net capital assets	\$ 13,689,115	\$ 375,338	\$ (2,407)	\$ 14,062,046

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

Governmental activities:	
General government	\$ 51,492
Public safety	192,630
Roads and highways	146,423
Culture and recreation	93,658
Total depreciation expense	<u>\$ 484,203</u>

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

<u>Business-type activities Totals</u>	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>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:				
Intangible assets	-	21,658	-	21,658
Buildings	299,113	-	-	299,113
Equipment	161,117	15,513	(5,994)	170,636
Vehicles	130,785	506,330	-	637,115
Infrastructure	10,894,770	118,720	-	11,013,490
Total capital assets, depreciable	<u>11,485,785</u>	<u>662,221</u>	<u>(5,994)</u>	<u>12,142,012</u>
Total	12,126,749	662,221	(5,994)	12,782,976
Less accumulated depreciation for:				
Intangible assets	-	(2,838)	-	(2,838)
Buildings	(289,171)	(662)	-	(289,833)
Equipment	(155,650)	(1,655)	5,994	(151,311)
Vehicles	(95,576)	(18,034)	-	(113,610)
Infrastructure	(5,717,471)	(212,427)	-	(5,929,898)
Total accumulated depreciation	<u>(6,257,868)</u>	<u>(235,616)</u>	<u>5,994</u>	<u>(6,487,490)</u>
Net depreciable capital assets	<u>5,227,917</u>	<u>426,605</u>	<u>-</u>	<u>5,654,522</u>
Net capital assets	<u>\$ 5,868,881</u>	<u>\$ 426,605</u>	<u>\$ -</u>	<u>\$ 6,295,486</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type activities:	
Water	\$144,570
Sewer	90,574
Storm Water	472
Total depreciation expense - Business Activities	<u>\$235,616</u>

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

6. Joint Venture

The City is a member of the North Clackamas County Water Commission, a joint venture in which the City has a ten percent interest and the Sunrise Water Authority and the Oak Lodge Water Services District hold 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 Services 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 Services District in 2004 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 Services District select three commissioners each, and the Gladstone City Council selects 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 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, 2018 was \$2,728,185. The current year operation of the Commission resulted in a net loss on investment to the City of \$50,807. The City had water purchases from the Commission of \$533,899 for the year ended June 30, 2018.

Separate financial statements for the North Clackamas County Water Commission can be obtained from the Commission at 14496 SE River Road, Milwaukie, Oregon 97267.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

7. Deferred Inflows of Resources

Deferred inflows of resources related to unavailable revenue presented on the Governmental Funds Balance Sheet as of June 30, 2018 consist of the following:

	General Fund	Urban Renewal Fund	Police & Communications Special Levy Fund	Fire & Emergency Services Special Levy Fund	Total
Property Taxes	\$ 240,842	\$ 55,481	\$ 34,001	\$ 15,506	\$ 345,830

8. Long Term Debt

A. Changes in General Long-Term Liabilities

During the year ended June 30, 2018, long-term liability activity was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Compensated Absences	\$ 241,668	\$ 251,268	\$ (241,668)	\$ 251,268	\$ 251,268
Business-type Activities					
Bonds	\$ 1,473,000	\$ -	\$ 150,000	\$ 1,323,000	\$ 153,000
Compensated Absences	31,478	35,844	(31,478)	35,844	35,844
Total Business-type Activities	\$ 1,504,478	\$ 35,844	\$ 118,522	\$ 1,358,844	\$ 188,844

Accrued Interest - Bonds payable

	Previous Int Pmt Date	Amt of Next Int Payment	Date through which accrued	Days to Accrue	Accrued Interest
2015 FF&C Obligations	1/1/2018	13,098	6/30/2018	180	13,098

B. Advanced Refunding

The City issued \$1,614,000 of general obligation bonds at interest rate 1.98%. The proceeds were used to advance refund \$1,570,000 of the Series 2005 bonds. Proceeds of \$1,596,290 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2005 of water bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

The refunding was undertaken to reduce its total debt service payments over 10 years by \$1,784,974 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$26,290 with a city contribution of \$19,156 for a net savings of \$7,134.

C. Bonds Payable

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

Business-type Activities:

During 2015-2016, the City issued \$1,614,000 in full faith and credit funding to refund the 2005 bond for the water treatment plant and for capital improvements to the City’s water system. The bonds carry interest rate is 1.98%. Interest is payable semiannually on January 1 and July 1 of each year. Bond principal is payable annually through July 2025.

Total bonds payable at June 30, 2018 \$ 1,323,000

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

Fiscal Year	Series 2015 Full Faith & Credit Obligation	
	Principal	Interest
2019	\$ 153,000	\$ 24,681
2020	155,000	21,632
2021	162,000	18,493
2022	165,000	15,256
2023	166,000	11,979
2024-26	<u>522,000</u>	<u>15,543</u>
	<u>\$ 1,323,000</u>	<u>\$ 107,584</u>

9. Pension Plan

A. Plan Description

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

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

B. Benefits Provided

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The COLA is capped at 2.0 percent.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

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

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

C. Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2018 were \$542,067, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2018 were 19.19 percent for Tier One/Tier Two General Service Member, 19.19 percent for Tier One/Tier Two Police and Fire, 10.00 percent for OPSRP Pension Program General Service Members, 14.77 percent for OPSRP Pension Program Police and Fire Members, and 6.00 percent for OPSRP Individual Account Program.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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

At June 30, 2018, the City reported a liability of \$4,026,202 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City's proportion was 0.0299 percent, which was decreased from its proportion of 0.0373 measured as of June 30, 2016.

For the year ended June 30, 2018, the City's recognized pension expense (income) of \$500,388. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 194,709	\$ -
Changes of assumptions	733,905	-
Net difference between projected and actual earnings on investments	41,479	-
Changes in proportion	192,261	504,764
Differences between employer contributions and proportionate share of contributions	44,750	64,950
Total (prior to post-MD contributions)	1,207,104	569,714
Contributions subsequent to the MD	542,068	-
 Total	 <u>\$ 1,749,172</u>	 <u>\$ 569,714</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Outflows		Deferred Inflows	
Amortization Period		Amortization Period	
FY2019	\$ 248,019	FY2019	\$ 137,937
FY2020	574,612	FY2020	137,839
FY2021	413,752	FY2021	130,191
FY2022	(50,101)	FY2022	117,858
FY2023	20,822	FY2023	45,889
Total	<u>\$ 1,207,104</u>	Total	<u>\$ 569,714</u>

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

E. Actuarial Assumptions

The employer contribution rates effective July 1, 2017, through June 30, 2019 were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.50 percent
Discount Rate	7.50 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	Health retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

F. Long-term Expected Rate of Return

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

Asset Class/Strategy	Assumed Asset Allocation		
	Low Range	High Range	Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	14.0%	21.0%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.30%	6.99%
Micro Cap US Equities	1.30%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Foreign Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equities	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-Driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
Total	100.00%	
Assumed Inflation - Mean		2.50%

G. Depletion Date Projection

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

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

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

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

H. Discount Rate

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

I. Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
City's proportionate share of the net pension liability (asset)	\$ 6,861,383	\$ 4,026,202	\$ 1,655,465

J. Pension Plan Fiduciary Net Position

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

K. Changes in Plan Provisions During the Measurement Date

There were no changes during the June 30, 2016 measurement period that require disclosure.

L. Changes in Plan Provisions Subsequent to Measurement Date

On July 28, 2017, the OPERS Board lowered the assumed rate from 7.50 percent to 7.20 percent. The new rate will take effect January 1, 2018, and will increase the net pension liability in future periods.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

10. Post Employment Benefits Other than Pensions

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon’s PERS cost-sharing multiple-employer defined health insurance benefit plan.

A. Financial Statement Presentation

The City’s two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	Implicit Rate Subsidy Plan	PERS RHIA Plan	Total OPEB on Financials
Total OPEB asset*	\$ -	\$ 12,675	\$ 12,675
Deferred outflows of resources			
Change in proportionate share	-	533	533
Net OPEB liability*	(568,264)	-	(568,264)
Deferred inflows of resources			
Difference in earnings	-	(5,869)	(5,869)
OPEB Expense (Income)*	34,040	14,854	48,894
*presented on net basis on Statement of Activities			

B. Implicit Rate Subsidy

1. Plan Description

The City’s single-employer defined benefit postemployment healthcare plan is administered by CityCounty Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City’s postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained through their website at: <https://www.cisoregon.org/About/TrustDocs>.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

2. Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2017, the following employees were covered by the benefit terms:

Active employees	102
Inactive employees or beneficiaries receiving benefits	<u>4</u>
	<u><u>106</u></u>

3. Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City’s total OPEB liability of \$568,264 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017.

For the fiscal year ended June 30, 2018, the City recognized OPEB expense from this plan of \$34,040. At June 30, 2018, the City reported no deferred outflows of resources and deferred inflows of resources related to this OPEB plan.

4. Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2018 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
General inflation	2.5 percent per year
Salary scale	3.5 percent per year
Mortality rates	RP2014-employee/healthy annuitant, sex distinct, generational. Blended 50% white collar/50% blue collar, males set back 12 months.
Discount rate	3.5 percent based on all years discounted at municipal bond rate.
Healthcare cost trend rate	Medical: 4.25 percent per year, decreasing to 3.25 percent per year.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

5. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2017	\$ 534,224
Changes for the year:	
Service cost	37,095
Interest on total OPEB liability	18,962
Benefit payments	(22,017)
Balance as of June 30, 2018	<u>\$ 568,264</u>

6. Sensitivity of the Total OPEB Liability

The following presents the City’s OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:	<u>1% Decrease (2.5%)</u>	<u>Current Discount Rate (3.5%)</u>	<u>1% Increase (4.5%)</u>
Total OPEB liability	\$ 611,631	\$ 568,264	\$ 527,975
Healthcare cost trend:	<u>1% Decrease (5.4% down to 4.0%)</u>	<u>Current Trend Rate (6.4% down to 5.0%)</u>	<u>1% Increase (7.4% down to 6.0%)</u>
Total OPEB liability	\$ 509,617	\$ 568,264	\$ 636,757

C. PERS Retirement Health Insurance Account

1. Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available 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, or online at http://Oregon.gov/PERS/section/financial_reports/financials.shtml.

2. Benefits Provided

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

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2019	\$ (1,267)
2020	(1,270)
2021	(1,331)
2022	(1,468)
2023	-
	<u>\$ (5,336)</u>

5. Actuarial Methods and Assumptions

The total OPEB asset in the December 31, 2015 actuarial valuation was determined using the actuarial methods and assumptions are the same as listed above in note 9 – Pension Plan.

Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.50 percent
Discount Rate	7.50 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<p>Health retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled</p>

Actuarial Assumptions and an additional assumption for healthcare cost trend rate ranging from 6.3% in 2016 to 4.4% in 2094.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

6. Long-Term Expected Rate of Return

Are the same as listed above in Note 9 – Pension Plan Long-term Expected Rate of Return.

7. Discount Rate

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

8. Sensitivity of the City’s proportionate share of the net OPEB liability (asset) to changes in the discount rate

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

Discount Rate:	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Total OPEB liability (asset)	\$ 1,767	\$ (12,675)	\$ (24,958)

9. OPEB Plan Fiduciary Net Position

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

10. Changes in Plan Provisions Subsequent to Measurement Date

The PERS Board lowered the Assumed Rate of Return from 7.50% to 7.20% on July 28, 2017. This change is effective January 1, 2018, and will decrease the net OPEB asset or increase the net OPEB liability in future periods. The effect on the City has not been determined.

11. Change in Accounting Principle

In implementing GASB Statement No. 75, the City has restated beginning net position in order to recognize the correct Total OPEB Liability for the City’s Implicit Rate Subsidy plan and to recognize the City’s proportionate share of the Net OPEB Asset of the Oregon Public Employees Retirement Systems (OPERS). The City had previously reported a Net OPEB Obligation in accordance with GASB Statement No. 45 related to the Implicit Rate Subsidy plan, which has been replaced with the Total OPEB Liability. Other restatements were necessary to properly record accrued payroll payable and remove uncleared receivable balances resulting from the system conversion during the previous fiscal year.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

	Governmental Activities	Business Type Activities	Total
Net Position - beginning (as originally reported)	\$ 22,902,781	\$ 10,052,362	\$ 32,955,143
Change due to implementation of GASB No. 75	(269,228)	(19,778)	(289,006)
Change due to restatement for accrued wages payable	(21,536)	(519)	(22,055)
Change due to uncleared receivable balances from system conversion	(89,274)	-	(89,274)
Net Position - beginning (as restated)	<u>\$ 22,522,743</u>	<u>\$ 10,032,065</u>	<u>\$ 32,554,808</u>

10. 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 \$1,661,854 were made to the service districts during fiscal year 2018 under these agreements.

11. 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 2017 to 2018. 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.

12. 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.

13. Subsequent events

On July 13, 2018 the City entered into two agreements to finance the design and construction of a new City Hall and Police Facility. The total amount of financing was \$6,800,000, with \$3,000,000 provided by a full faith and credit agreement guaranteed by the City, and \$3,800,000 provided by a note with the Urban Renewal District. Funds will be combined with existing Urban Renewal Agency cash for a total budget of \$13,300,000. Design began in June 2018 with an estimated completion date of Summer, 2020.

CITY OF GLADSTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

On July 19, 2018 the City received payment on the sale of surplus land for the amount of \$149,090. The sale will be reflected as a reduction of land within the Water Fund in the year ending June 30, 2019.

14. Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was issued June 2015. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This statement is currently effective.

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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
 - Road and Street Fund
 - Police and Communications Special Levy Fund
 - Fire and Emergency Services Special Levy Fund
 - Urban Renewal Agency Fund

- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Retirement Plan Contributions
- Schedule of the Proportionate Share of the Net OPEB Liability (Asset)
- Schedule of OPEB Plan Contributions
- Notes to the Required Supplementary Information

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, 2018

	Budget for the 2018-2019 Biennium		Actual	Variance with
	Original	Final	1st Year FY 2017-18	Final Budget
REVENUES:				
Property taxes	\$ 7,855,791	\$ 7,855,791	\$ 4,035,720	\$ (3,820,071)
Public service taxes	434,000	434,000	414,645	(19,355)
Right of way fees	1,747,500	1,747,500	1,036,896	(710,604)
Grants	66,800	518,135	382,659	(135,476)
Charges for services	187,200	187,200	70,936	(116,264)
Licenses and permits	258,400	258,400	138,401	(119,999)
Fines and forfeitures	635,400	635,400	408,615	(226,785)
Special assessments	1,461,370	1,461,370	774,089	(687,281)
Contributions and donations	10,665	10,665	21,096	10,431
Interest	135,000	135,000	150,014	15,014
Miscellaneous	323,000	323,000	97,166	(225,834)
Total revenues	13,115,126	13,566,461	7,530,237	(6,036,224)
EXPENDITURES:				
General government	3,572,055	3,664,555	1,570,977	2,093,578
Public safety	8,099,153	8,205,821	3,627,511	4,578,310
Cultural and recreation	3,087,490	3,087,490	1,418,479	1,669,011
Capital outlay	1,398,959	1,698,626	318,951	1,379,675
Contingency	800,000	800,000	-	800,000
Total expenditures	16,957,657	17,456,492	6,935,918	10,520,574
Revenues over (under) expenditures	(3,842,531)	(3,890,031)	594,319	4,484,350
OTHER FINANCING SOURCES (USES):				
Transfers in	350,320	350,320	147,930	(202,390)
Transfers out	(442,350)	(487,350)	(266,175)	221,175
Total other financing sources (uses)	(92,030)	(137,030)	(118,245)	18,785
Net changes in fund balances	(3,934,561)	(4,027,061)	476,074	4,503,135
FUND BALANCES, BEGINNING	7,600,000	7,600,000	3,102,558	(4,497,442)
FUND BALANCES, ENDING	\$ 3,665,439	\$ 3,572,939	\$ 3,578,632	\$ 5,693

**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, 2018**

	Budget for the 2018-2019 Biennium		Actual	Variance with
	Original	Final	1st Year FY 2017-18	Final Budget
REVENUES:				
Public service taxes	\$ 1,350,000	\$ 1,350,000	\$ 745,955	\$ (604,045)
Special assessments	20,000	20,000	31,430	11,430
Miscellaneous	55,000	55,000	14,744	(40,256)
Total revenues	1,425,000	1,425,000	792,129	(632,871)
EXPENDITURES:				
Personnel service	570,010	570,010	264,308	305,702
Materials and service	1,061,500	1,061,500	163,000	898,500
Capital outlay	1,938,550	1,938,550	371,872	1,566,678
Contingency	350,000	350,000	-	350,000
Total expenditures	3,920,060	3,920,060	799,180	3,120,880
Revenues over (under) expenditures	(2,495,060)	(2,495,060)	(7,051)	2,488,009
OTHER FINANCING SOURCES (USES):				
Transfers in	860,345	860,345	415,895	(444,450)
Transfers out	(130,285)	(130,285)	(64,180)	66,105
Total other financing sources (uses)	730,060	730,060	351,715	(378,345)
Net changes in fund balances	(1,765,000)	(1,765,000)	344,664	2,109,664
FUND BALANCES, BEGINNING	1,765,000	1,765,000	1,181,087	(583,913)
FUND BALANCES, ENDING	\$ -	\$ -	\$ 1,525,751	\$ 1,525,751

**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, 2018**

	Budget for the 2018-2019 Biennium		Actual	Variance with
	Original	Final	1st Year FY 2017-18	Final Budget
REVENUES:				
Property taxes	\$ 1,264,250	\$ 1,264,250	\$ 569,721	\$ (694,529)
Interest	7,500	7,500	5,845	(1,655)
Total revenues	1,271,750	1,271,750	575,566	(696,184)
EXPENDITURES:				
Personnel service	1,230,275	1,230,275	554,831	675,444
Materials and service	291,000	291,000	153,277	137,723
Capital outlay	10,000	55,000	54,006	994
Contingency	724,555	724,555	-	724,555
Total expenditures	2,255,830	2,300,830	762,114	1,538,716
Revenues over (under) expenditures	(984,080)	(1,029,080)	(186,548)	842,532
OTHER FINANCING SOURCES (USES):				
Transfers in	-	45,000	45,000	-
Transfers out	(29,535)	(29,535)	(14,545)	14,990
Total other financing sources (uses)	(29,535)	15,465	30,455	14,990
Net changes in fund balances	(1,013,615)	(1,013,615)	(156,093)	857,522
FUND BALANCES, BEGINNING	1,013,615	1,013,615	301,319	(712,296)
FUND BALANCES, ENDING	\$ -	\$ -	\$ 145,226	\$ 145,226

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, 2018

	Budget for the 2018-2019 Biennium		Actual	Variance with
	Original	Final	1st Year FY 2017-18	Final Budget
REVENUES:				
Property taxes	\$ 555,046	\$ 555,046	\$ 259,802	\$ (295,244)
Interest	8,500	8,500	8,305	(195)
Total revenues	563,546	563,546	268,107	(295,439)
EXPENDITURES:				
Personnel service	389,825	389,825	170,335	219,490
Materials and service	90,000	90,000	51,128	38,872
Capital outlay	455,000	455,000	35,597	419,403
Contingency	34,306	34,306	-	34,306
Total expenditures	969,131	969,131	257,060	712,071
Revenues over (under) expenditures	(405,585)	(405,585)	11,047	416,632
OTHER FINANCING SOURCES (USES):				
Transfers out	(12,415)	(12,415)	(6,115)	6,300
Total other financing sources (uses)	(12,415)	(12,415)	(6,115)	6,300
Net changes in fund balances	(418,000)	(418,000)	4,932	422,932
FUND BALANCES, BEGINNING	418,000	418,000	420,651	2,651
FUND BALANCES, ENDING	\$ -	\$ -	\$ 425,583	\$ 425,583

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, 2018

	Budget for the 2018-2019 Biennium		Actual	Variance with Final Budget
	Original	Final	1st Year FY 2017-18	
REVENUES:				
Property taxes	\$ 1,638,500	\$ 1,638,500	\$ 886,788	\$ (751,712)
Interest	120,000	120,000	127,732	7,732
Total revenues	<u>1,758,500</u>	<u>1,758,500</u>	<u>1,014,520</u>	<u>(743,980)</u>
EXPENDITURES:				
District operations	-	525,000	6,159	518,841
Materials and service	225,000	-	-	-
Capital outlay	300,000	-	-	-
Contingency	3,842,700	3,842,700	-	3,842,700
Total expenditures	<u>4,367,700</u>	<u>4,367,700</u>	<u>6,159</u>	<u>4,361,541</u>
Revenues over (under) expenditures	<u>(2,609,200)</u>	<u>(2,609,200)</u>	<u>1,008,361</u>	<u>3,617,561</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>(180,000)</u>	<u>4,820,000</u>
Total other financing sources (uses)	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>(180,000)</u>	<u>4,820,000</u>
Net changes in fund balances	(7,609,200)	(7,609,200)	828,361	8,437,561
FUND BALANCES, BEGINNING	<u>7,609,200</u>	<u>7,609,200</u>	<u>6,562,781</u>	<u>(1,046,419)</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,391,142</u>	<u>\$ 7,391,142</u>

CITY OF GLADSTONE, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Last Five Fiscal Years

Measurement Date June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share of the net pension liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.02986788%	\$ 4,026,202	\$ 3,530,528	114.04%	83.10%
2016	0.03732051%	5,602,675	3,028,865	184.98%	80.53%
2015	0.03322664%	1,907,695	3,142,527	60.71%	91.90%
2014	0.03075728%	(697,180)	3,152,443	-22.12%	103.60%
2013	0.03075728%	673,613	3,083,993	21.84%	91.97%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF GLADSTONE, OREGON
SCHEDULE OF CONTRIBUTIONS - PENSIONS
For the Last Five Fiscal Years

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2018	\$ 542,067	\$ 542,067	-	\$ 3,992,008	13.58%
2017	354,011	354,011	-	3,530,528	10.03%
2016	305,104	305,104	-	3,028,865	10.07%
2015	733,439	733,439	-	3,142,527	23.34%
2014	764,158	764,158	-	3,152,443	24.24%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF GLADSTONE, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY (ASSET)
June 30, 2018

Oregon Public Employees Retirement System, Retirement Health Insurance Account

Measurement Date June 30,	(a) City's proportion of the net OPEB liability(asset)	(b) City's proportionate share of the net OPEB liability(asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2017	\$ -	\$ (12,675)	\$ 3,530,528	-0.36%	108.88%
2016	-	7,516	3,028,865	0.25%	94.15%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF GLADSTONE, OREGON
SCHEDULE OF CONTRIBUTIONS - RETIREMENT HEALTH INSURANCE ACCOUNT
June 30, 2018

Oregon Public Employees Retirement System, Retirement Health Insurance Account

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2018	\$ 16,415	\$ 16,415	-	\$ 3,992,008	0.41%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF GLADSTONE, OREGON
SCHEDULE OF CONTRIBUTIONS - IMPLICIT RATE SUBSIDY
June 30, 2018

Implicit Rate Subsidy Plan

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2017	\$ 22,017	\$ 22,017	-	\$ 3,530,328	0.62%
2018	23,363	23,363	-	3,992,008	0.59%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF GLADSTONE, OREGON
SCHEDULE OF THE CITY'S CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
June 30, 2018

Implicit Rate Subsidy Plan

	<u>2018</u>
Total OPEB Liability - beginning	\$ 534,224
Service Cost	37,095
Interest	18,962
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	-
Benefit payments	<u>(22,017)</u>
Net Changes in OPEB Liability	34,040
Total OPEB Liability - end of year	<u><u>\$ 568,264</u></u>
Estimated covered payroll	\$ 3,992,008
Total OPEB Liability as a percentage of covered payroll	14.24%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF GLADSTONE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

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 division operations, operating 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, 2018. Appropriations lapse as of year-end.

No expenditures exceeded appropriation levels in the year ended June 30, 2018.

B. Deficit Fund Balance

At June 30, 2018, the Storm Water Fund had a deficit budgetary basis fund balance of (\$3,566).

C. Changes in Benefit Terms - Pension

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

D. Changes of Assumptions - Pension

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability. The changes include the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

CITY OF GLADSTONE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

E. Changes in Benefit Terms – OPEB (Oregon Public Employees Retirement System, Retirement Health Insurance Account)

There were no changes of benefit terms used to measure the June 30, 2018 net OPEB asset. The actuarial assumptions and methods used to set the actuarially determined contributions are as follows:

Actuarial valuation:	December 31, 2013
Effective:	July 2015 - June 2017
Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll
Asset valuation method:	Market value
Remaining amortization periods:	20 years
Actuarial assumptions	
Inflation rate	2.75 percent
Projected salary increases	3.75 percent
Investment rate of return	7.75 percent

F. Changes of Assumptions – OPEB (Oregon Public Employees Retirement System, Retirement Health Insurance Account)

The PERS Board reviews the discount rate in odd numbered years as part of the Boards adoption of actuarial methods and assumptions. That rate is then adopted in an administrative rule at the time the Board sets the new rate. On July 28, 2017, the PERS Board adopted a 7.2% assumed rate.

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability. The changes include the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

G. Changes of Benefit Terms – OPEB (Implicit Rate Subsidy Plan)

There were no changes of benefit terms used to measure the June 30, 2018 net OPEB liability.

CITY OF GLADSTONE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

H. Changes of Assumptions – OPEB (Implicit Rate Subsidy Plan)

The actuarial assumptions and methods used to set the actuarially determined contributions are as follows:

Actuarial valuation:	July 1, 2016
Effective:	July 2016 - June 2018
Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Amortization period:	8.9 years
Asset valuation method:	Market value
Remaining amortization periods:	20 years
Actuarial assumptions	
Inflation rate	2.50 percent
Projected salary increases	3.50 percent
Investment rate of return	7.85 percent

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OTHER SUPPLEMENTARY INFORMATION

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 analysis.

Such statements and schedules include:

Agency 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. Funds included in this category are:

Municipal Court Trust Fund

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

CITY OF GLADSTONE, OREGON
AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Municipal Court Trust Fund				
Assets				
Cash	\$ -	\$ 543,461	\$ 492,537	\$ 50,924
Liabilities				
Other current liabilities	\$ -	\$ 543,461	\$ 492,537	\$ 50,924

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
- Library Capital Fund
- Civic Center Capital Fund

**CITY OF GLADSTONE, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018**

	Budget for the 2018-2019 Biennium		Actual	Variance with
	Original	Final	1st Year FY 2017-18	Final Budget
General Administration:				
Personnel services	\$ 1,432,780	\$ 1,403,781	\$ 575,917	\$ 827,864
Materials and services	1,830,250	1,859,249	810,616	1,048,633
Subtotal	<u>3,263,030</u>	<u>3,263,030</u>	<u>1,386,533</u>	<u>1,876,497</u>
Facilities:				
Personnel services	91,025	91,025	35,133	55,892
Materials and services	218,000	310,500	149,311	161,189
Capital outlay	-	-	22,674	(22,674) *
Subtotal	<u>309,025</u>	<u>401,525</u>	<u>207,118</u>	<u>194,407</u>
Municipal Court:				
Personnel services	279,925	279,925	136,153	143,772
Materials and services	289,100	289,100	136,565	152,535
Subtotal	<u>569,025</u>	<u>569,025</u>	<u>272,718</u>	<u>296,307</u>
Police:				
Personnel services	4,296,545	4,296,545	1,861,975	2,434,570
Materials and services	793,600	713,600	313,044	400,556
Capital outlay	245,000	325,000	152,272	172,728
Subtotal	<u>5,335,145</u>	<u>5,335,145</u>	<u>2,327,291</u>	<u>3,007,854</u>
Fire:				
Personnel services	1,598,733	1,785,401	864,807	920,594
Materials and services	841,250	841,250	314,967	526,283
Capital outlay	714,000	900,667	67,570	833,097
Subtotal	<u>3,153,983</u>	<u>3,527,318</u>	<u>1,247,344</u>	<u>2,279,974</u>
Parks:				
Personnel services	452,600	452,600	249,478	203,122
Materials and services	357,500	357,500	172,087	185,413
Capital outlay	290,000	290,000	42,435	247,565
Subtotal	<u>1,100,100</u>	<u>1,100,100</u>	<u>464,000</u>	<u>636,100</u>
Recreation:				
Personnel services	60,000	60,000	34,525	25,475
Materials and services	57,350	57,350	24,375	32,975
Subtotal	<u>117,350</u>	<u>117,350</u>	<u>58,900</u>	<u>58,450</u>
Senior Center:				
Personnel services	509,275	509,275	232,809	276,466
Materials and services	83,900	83,900	37,062	46,838
Capital outlay	149,959	182,959	34,000	148,959
Subtotal	<u>743,134</u>	<u>776,134</u>	<u>303,871</u>	<u>472,263</u>
Library:				
Personnel services	1,255,500	1,255,500	539,739	715,761
Materials and services	311,365	311,365	128,404	182,961
Subtotal	<u>1,566,865</u>	<u>1,566,865</u>	<u>668,143</u>	<u>898,722</u>
Total expenditures	<u>\$ 16,157,657</u>	<u>\$ 16,656,492</u>	<u>\$ 6,935,918</u>	<u>\$ 9,720,574</u>

* Appropriations are adopted at the departmental level for the General Fund

**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, 2018**

	Budget		Actual	Variance
	Original	Final	1st Year FY 2017-18	with Final Budget
REVENUES:				
Contributions and donations	\$ 2,600,000	\$ 2,600,000	\$ -	\$ (2,600,000)
Total revenues	2,600,000	2,600,000	-	(2,600,000)
EXPENDITURES:				
Capital outlay	4,050,000	4,050,000	-	4,050,000
Contingency	1,250,000	1,250,000	-	1,250,000
Total expenditures	5,300,000	5,300,000	-	5,300,000
Revenues over (under) expenditures	(2,700,000)	(2,700,000)	-	2,700,000
OTHER FINANCING SOURCES (USES):				
Issuance of debt	2,700,000	2,700,000	-	(2,700,000)
Total other financing sources (uses)	2,700,000	2,700,000	-	(2,700,000)
Net changes in fund balances	-	-	-	-
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -

**CITY OF GLADSTONE, OREGON
CIVIC BUILDING CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance
	Original	Final	1st Year FY 2017-18	with Final Budget
EXPENDITURES:				
Capital outlay	\$ 10,200,000	\$ 10,200,000	\$ 142,342	\$ 10,057,658
Total expenditures	10,200,000	10,200,000	142,342	10,057,658
OTHER FINANCING SOURCES (USES):				
Issuance of debt	5,200,000	5,200,000	-	(5,200,000)
Transfers in	5,000,000	5,000,000	180,000	(4,820,000)
Total other financing sources (uses)	10,200,000	10,200,000	180,000	(10,020,000)
Net changes in fund balances	-	-	37,658	37,658
FUND BALANCES, BEGINNING	-	-	(46)	(46)
FUND BALANCES, ENDING	\$ -	\$ -	\$ 37,612	\$ 37,612

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
- Storm Water 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, 2018

	Budget		Actual 1st Year FY 2017-18	Variance with Final Budget
	Original	Final		
REVENUES:				
Service charges	\$ 2,681,000	\$ 2,681,000	\$ 1,464,303	\$ (1,216,697)
Connection and installation fees	24,000	24,000	7,035	(16,965)
System development charges	40,000	40,000	111,019	71,019
Miscellaneous	72,500	72,500	100	(72,400)
Total revenues	<u>2,817,500</u>	<u>2,817,500</u>	<u>1,582,457</u>	<u>(1,235,043)</u>
EXPENDITURES:				
Personnel service	785,630	785,630	309,498	476,132
Materials and service	1,724,500	1,724,500	850,140	874,360
Capital outlay	1,579,553	1,579,553	126,822	1,452,731
Debt service:				
Principal	303,000	303,000	150,000	153,000
Interest	52,362	52,362	26,195	26,167
Contingency	700,000	700,000	-	700,000
Total expenditures	<u>5,145,045</u>	<u>5,145,045</u>	<u>1,462,655</u>	<u>3,682,390</u>
Revenues over (under) expenditures	(2,327,545)	(2,327,545)	119,802	2,447,347
OTHER FINANCING SOURCES (USES):				
Transfers out	(172,455)	(172,455)	(84,305)	88,150
Total other financing sources (uses)	<u>(172,455)</u>	<u>(172,455)</u>	<u>(84,305)</u>	<u>88,150</u>
Net changes in fund balances	(2,500,000)	(2,500,000)	35,497	2,535,497
FUND BALANCE, BEGINNING- BUDGETARY BASIS	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,016,105</u>	<u>(483,895)</u>
FUND BALANCES, ENDING - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,051,602</u>	<u>\$ 2,051,602</u>
			Revenues	Expenditures/ Expenses
Total revenue and expenditures above			\$ 1,582,457	\$ 1,462,655
Operating transfers in/out			-	84,305
Expenditures capitalized			-	(166,779)
Compensated absences			-	(1,684)
Debt service principal payments			-	(150,000)
Depreciation expense			-	144,570
Net pension activity			-	47,101
Net OPEB obligation			-	812
Equity in net income/loss of joint venture			(50,807)	-
Total revenues and expenses - generally accepted accounting principles			<u>\$ 1,531,650</u>	<u>1,420,980</u>
Change in net position				<u>\$ 110,670</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, 2018

	Budget		Actual 1st Year FY 2017-18	Variance with Final Budget
	Original	Final		
REVENUES:				
Service charge	\$ 4,359,375	\$ 4,359,375	\$ 2,161,781	\$ (2,197,594)
Connection and installation fees	45,000	45,000	9,375	(35,625)
System development charge	8,000	8,000	96,824	88,824
Contributions and donations	15,000	15,000	2,700	(12,300)
Total revenues	4,427,375	4,427,375	2,270,680	(2,156,695)
EXPENDITURES:				
Personnel service	558,910	558,910	250,003	308,907
Materials and service	3,714,500	3,714,500	1,755,206	1,959,294
Capital outlay	1,660,190	1,660,190	356,101	1,304,089
Contingency	700,000	700,000	-	700,000
Total expenditures	6,633,600	6,633,600	2,361,310	4,272,290
Revenues over (under) expenditures	(2,206,225)	(2,206,225)	(90,630)	2,115,595
OTHER FINANCING SOURCES (USES):				
Transfers out	(277,775)	(277,775)	(135,505)	142,270
Total other financing sources (uses)	(277,775)	(277,775)	(135,505)	142,270
Net changes in fund balances	(2,484,000)	(2,484,000)	(226,135)	2,257,865
FUND BALANCE, BEGINNING- BUDGETARY BASIS	2,484,000	2,484,000	1,186,877	(1,297,123)
FUND BALANCES, ENDING - BUDGETARY BASIS	\$ -	\$ -	\$ 960,742	\$ 960,742
			Revenues	Expenditures/ Expenses
Total revenue and expenditures above			\$ 2,270,680	\$ 2,361,310
Operating transfers in/out			-	135,505
Expenditures capitalized			-	(356,101)
Compensated absences			-	5,016
Depreciation expense			-	90,574
Net pension activity			-	(89,314)
Net OPEB obligation			-	763
Total revenues and expenses - generally accepted accounting principles			\$ 2,270,680	2,147,753
Change in net position				\$ 122,927

CITY OF GLADSTONE, OREGON
STORM WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Budget		Actual 1st Year FY 2017-18	Variance with Final Budget
	Original	Final		
REVENUES:				
Service charge	\$ 1,050,000	\$ 1,050,000	\$ 344,322	\$ (705,678)
System development charge	-	-	56,504	56,504
Contributions and donations	3,000	3,000	-	(3,000)
Total revenues	1,053,000	1,053,000	400,826	(652,174)
EXPENDITURES:				
Personnel service	431,110	431,110	147,558	283,552
Materials and service	219,500	219,500	77,437	142,063
Capital outlay	264,000	264,000	141,397	122,603
Contingency	22,930	22,930	-	22,930
Total expenditures	937,540	937,540	366,392	571,148
Revenues over (under) expenditures	115,460	115,460	34,434	(81,026)
OTHER FINANCING SOURCES (USES):				
Transfers out	(145,850)	(145,850)	(38,000)	107,850
Total other financing sources (uses)	(145,850)	(145,850)	(38,000)	107,850
Net changes in fund balances	(30,390)	(30,390)	(3,566)	26,824
FUND BALANCE, BEGINNING- BUDGETARY BASIS	30,390	30,390	-	(30,390)
FUND BALANCES, ENDING - BUDGETARY BASIS	\$ -	\$ -	\$ (3,566)	\$ (3,566)
			Revenues	Expenditures/ Expenses
Total revenue and expenditures above			\$ 400,826	\$ 366,392
Operating transfers in/out			-	38,000
Expenditures capitalized			-	(139,340)
Compensated absences			-	1,034
Depreciation expense			-	472
Net pension activity			-	62,264
Net OPEB obligation			-	345
Total revenues and expenses - generally accepted accounting principles			\$ 400,826	329,167
Change in net position				\$ 71,659

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *OREGON STATE REGULATION***

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH OREGON STATE REGULATION**

Honorable Mayor and City Council
City of Gladstone, Oregon

We have audited the basic financial statements of City of Gladstone, Oregon, as of and for the year ended June 30, 2018 and have issued our report thereon dated January 30, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State.

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 grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162 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:

- 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.

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. In connection with our testing, nothing came to our attention that caused us to believe 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 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows.

At June 30, 2018, the following fund had a deficit budgetary basis fund balance:

<u>Fund</u>	<u>Amount</u>
Storm Water Fund	\$ (3,566)

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered City of Gladstone, Oregon's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Gladstone, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Gladstone, Oregon's internal control.

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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina & Company, LLP
Tualatin, Oregon
January 30, 2019

**GLADSTONE
URBAN
RENEWAL
AGENCY**

GLADSTONE CITY COUNCIL/URBAN RENEWAL AGENCY MEETING MINUTES of October 9, 2018

Meeting was called to order at approximately 8:05 PM.

ROLL CALL:

Councilor Milch, Councilor Neace, Councilor Tracy, Councilor Reisner, Councilor McMahon, Councilor Mersereau

ABSENT:

Mayor Stempel

STAFF:

Jacque Betz, City Administrator; Tami Bannick, Office Assistant; Cathy Brucker, Interim Finance Director; David Doughman, City Attorney

REGULAR AGENDA:

11. APPROVAL OF JUNE 26, 2018 MEETING MINUTES:

Councilor Milch made a motion to approve the June 26, 2018 meeting minutes. Motion was seconded by Councilor McMahon. Motion passed unanimously.

12. RESOLUTION UR-68 – BUDGET RESOLUTION TO INCREASE REVENUE FOR FINANCING THE GLADSTONE CIVIC CENTER:

Ms. Brucker explained that this is basically a continuation of what they just discussed. This is reorganizing the organizational unit categories. This will recognize an increase to the budget of \$6.8 million, recognizing the debt proceeds that were incurred by the Urban Renewal Agency and then recognizing the transfer coming in from the general fund, monies going back out over to the Civic Center Fund for construction and back to the general fund eventually for debt service payment that will be due.

Councilor McMahon made a motion to approve Resolution UR-68 of the Gladstone Urban Renewal District adopting a budget resolution for the biennium years 2017-2019. Motion was seconded by Councilor Tracy. Motion passed unanimously.

ADJOURN:

Meeting adjourned at approximately 8:09 P.M.

Approved by the Mayor this _____ day of _____, 2018.

Gladstone Urban Renewal Agency Staff Report

Report Date: February 6, 2019
Meeting Date: February 12, 2019
To: City Council
From: Cathy Brucker, Interim Finance Director

AGENDA ITEM

Approval of the Gladstone Urban Renewal Agency Annual Financial Statements for the Fiscal Year Ended June 30, 2018.

History/Background

The Gladstone Urban Renewal Agency is required to prepare and file annually, with the Secretary of State/Audit Division, prescribed reports related to the financial condition of the City.

Merina & Company, LLP (the City Auditors) completed the audit of the annual financial statements, then met with the City of Gladstone Audit Committee on Thursday, January 31st, 2019 for review and discussion. The Audit Committee then recommended approval of the Annual Financial Statements for the FYE June 30, 2018.

Proposal

Annual filing of financial information is required by the Secretary of State/Audit Division by December 31st. Due to a combination of GASB pronouncement implementation and staffing issues, an extension request was filed for January 31st, 2019. Information was provided by that date to ensure timely compliance with State law.

Options

No other options have been considered.

Cost Impact

There is no cost impact related to this request.

Recommended Staff Action

Staff recommends approval of the Gladstone Urban Renewal Agency Annual Financial Report for the Fiscal Year Ended June 30, 2018..

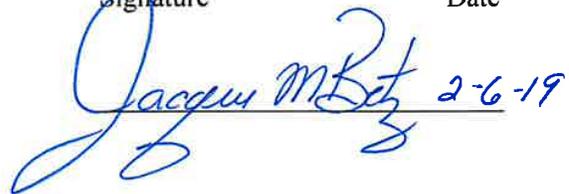
Department Head
Signature

Date


Cathy Brucker 2/6/19

City Administrator
Signature

Date


Jacquelyn M. Betz 2-6-19

January 30, 2019

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 the Gladstone Urban Renewal Agency, a component unit of the City of Gladstone, Oregon as of and for the year ended June 30, 2018, and have issued our report thereon dated January 30, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 30, 2018, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Gladstone Urban Renewal Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Gladstone Urban Renewal Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. There were no significant estimates affecting the Gladstone Urban Renewal Agency.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. No misstatements were noted during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Gladstone Urban Renewal Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, in a separate letter dated January 30, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. The Agency used a consultant to provide system-wide financial oversight and advice. The consultant also reviewed monthly statements regularly and was involved in all programmatic changes of the financial system.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Gladstone Urban Renewal Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Gladstone Urban Renewal Agency's auditors.

Other Matters

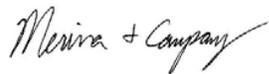
We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the 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 did not audit management's discussion and analysis, and do not express an opinion or provide any assurance on this information.

We were not engaged to report on the introductory section, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the 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 would 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

GLADSTONE URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF GLADSTONE, OREGON)

FINANCIAL STATEMENTS

For the Fiscal Year Ended
June 30, 2018

with

Independent Auditor's
Report

MERINA
& COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

7624 SW MOHAWK STREET • TUALATIN, OR 97062
PHONE: (503) 723-0300 • FAX: (503) 723-9946 • WWW.MERINA.COM

**GLADSTONE URBAN RENEWAL AGENCY
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Principal Officials i

FINANCIAL SECTION

Independent Auditor’s Report..... 1

Management Discussion and Analysis 3

Basic Financial Statements

Statement of Net Position 6

Statement of Activities..... 7

Balance Sheet – Governmental Fund..... 8

Statement of Revenues, Expenditures, and Changes in
Fund Balance – Governmental Funds 9

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds to the Statement of Activities..... 10

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget And Actual 11

Notes to the Basic Financial Statements..... 12

Independent Auditor’s Report Required by Oregon State Regulations..... 18

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INTRODUCTORY SECTION

**GLADSTONE URBAN RENEWAL AGENCY
LIST OF PRINCIPAL OFFICIALS
June 30, 2018**

Officials

Term Expires

Tamara Stempel, Mayor
Gladstone, Oregon 97027

December 31, 2018

Linda Neace, President
Gladstone, Oregon 97027

December 31, 2020

Matt Tracy
Gladstone, Oregon 97027

December 31, 2018

Patrick McMahon
Gladstone, Oregon 97027

December 31, 2018

Michael Milch
Gladstone, Oregon 97027

December 31, 2018

Neal Reisner
Gladstone, Oregon 97027

December 31, 2020

Thomas Mersereau
Gladstone, Oregon 97027

December 31, 2020

Administrator

Jacque Betz
Gladstone, Oregon 97027

Interim Finance Director

Cathy Brucker
Gladstone, Oregon 97027

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Agency Officials
Gladstone Urban Renewal Agency
Gladstone, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Gladstone Urban Renewal Agency, a component unit of the City of Gladstone, Oregon, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Gladstone Urban Renewal Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Gladstone Urban Renewal Agency's 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Gladstone Urban

Renewal Agency, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as 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.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 30, 2019, on our consideration of the Gladstone Urban Renewal Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



For Merina & Company, LLP
Tualatin, Oregon
January 30, 2019

June 30, 2018
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, 2018.

Financial Highlights

The assets of the Gladstone Urban Renewal Agency exceeded its liabilities at the close of the most recent fiscal year by \$7,446,623 (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 \$832,909 from the fiscal year ending in 2018. The Agency has initiated the design and construction of a new Police Station and City Hall on Portland Avenue, as discussed in note (6).

As of the close of the current fiscal year, the Gladstone Urban Renewal Agency's governmental fund reported a total ending fund balance of \$7,391,142. The difference between \$7,446,623 unrestricted net position and the ending fund balance of \$7,391,142 is comprised of uncollected/unavailable property taxes.

REPORT LAYOUT

This 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) entity-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 Agency'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 from the prior 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 General Fund is presented in its own column. A "Budgetary Comparison Statement" is included as part of the basic financial statements.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the financial data provided in the entity-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

Entity-wide Financial Statements

Statement of net position at June 30, 2018. As noted earlier, net position may serve over time as a useful indicator of the Agency's financial position. Assets exceeded liabilities by \$7,446,623 at the close of the most recent fiscal year.

By far the largest portion of the 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 2017-18 and 2016-17.

	Summary Statement of Net Position as of June 30,		
	2018	2017	Total Change
Cash and investments	\$ 7,385,250	\$ 6,651,219	\$ 734,031
Due from other governments	2,738	3,580	(842)
Property tax receivable	57,970	53,161	4,809
Interest receivable	665	-	665
Total Assets	<u>7,446,623</u>	<u>6,707,960</u>	738,663
Accounts payable	-	94,246	(94,246)
Net position:			
Unrestricted	<u>\$ 7,446,623</u>	<u>\$ 6,613,714</u>	<u>\$ 832,909</u>

The following table reflects a Statement of Activities for fiscal years 2017-18 and 2016-17.

	Summary Statement of Activities For the Fiscal Years Ended June 30,		
	2018	2017	Total Change
REVENUES			
General Revenues			
Property tax	\$ 891,336	\$ 855,596	\$ 35,740
Interest	127,732	71,238	56,494
Total receipts	<u>1,019,068</u>	<u>926,834</u>	92,234
EXPENSES			
Division operations	6,159	107,572	(101,413)
Transfers out	180,000	-	180,000
Total expense and transfer	<u>186,159</u>	<u>107,572</u>	78,587
Increase in net position	<u>832,909</u>	<u>819,262</u>	13,647
Beginning net position	<u>6,613,714</u>	<u>5,794,452</u>	819,262
Ending net position	<u>\$ 7,446,623</u>	<u>\$ 6,613,714</u>	<u>\$ 832,909</u>

Governmental Activities. Governmental activities increased the Gladstone Urban Renewal Agency's net position by \$832,909.

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 \$7,391,142 ending fund balance is fully available for Urban Renewal Development.

Budgetary Highlights. The Agency's General Fund original legal appropriations totaled \$4,367,700. Though no changes were made to the amount of appropriations, there were changes to the classifications of expense to facilitate the second year of the biennium budget. The Agency's actual spending for urban renewal development fell well short of budgeted levels as monies were held for future projects.

Capital Assets. The Gladstone Urban Renewal Agency has no capital assets. Upon completion of street improvements or building 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 formal, 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. The adjusted maximum indebtedness is currently \$23,589,427.

Economic Factors and Next Year's Budget. The future finances of the Agency will largely be expended on the design and construction of the Civic Center Project, including a new City Hall and Police Facility, as approved by the voters in November, 2015. As discussed in Note 6, in Notes to the Financial Statements, funding was secured in July, 2018 to combine with existing cash of the Urban Renewal Agency. Design began in June, 2018 and construction is expected to complete in the summer of 2020.

Requests for Information. 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 503.479.6860.

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BASIC FINANCIAL STATEMENTS

GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF NET POSITION
June 30, 2018

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 7,385,250
Cash with County Treasurer	2,738
Property taxes receivable	57,970
Interest receivable	<u>665</u>
 Total assets	 <u>7,446,623</u>
 NET POSITION:	
Unrestricted:	
Urban Renewal Development	<u><u>\$ 7,446,623</u></u>

The accompanying notes are an integral part of these financial statements

GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018

	<u>Expenses</u>	<u>Net Revenue (Expenses) and Changes in Net Position</u>
EXPENSES:		
Governmental activities:		
Community development	<u>\$ 6,159</u>	\$ (6,159)
GENERAL REVENUES:		
Property taxes		891,336
Interest		127,732
Transfers out		<u>(180,000)</u>
Total general revenues and transfers		<u>839,068</u>
Change in net position		832,909
NET POSITION, BEGINNING		<u>6,613,714</u>
NET POSITION, ENDING		<u><u>\$ 7,446,623</u></u>

The accompanying notes are an integral part of these financial statements

GLADSTONE URBAN RENEWAL AGENCY
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2018

ASSETS:

Cash and cash equivalents	\$ 7,385,250
Cash with County Treasurer	2,738
Property taxes receivable	57,970
Interest receivable	<u>665</u>
 Total assets	 <u><u>\$ 7,446,623</u></u>

DEFERRED INFLOWS OF RESOURCES:

Unavailable revenue - property taxes	<u>55,481</u>
 Total deferred inflows of resources	 <u>55,481</u>

FUND BALANCE:

Unassigned	<u>7,391,142</u>
Total fund balance	<u>7,391,142</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u><u>\$ 7,446,623</u></u>

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

Total fund balance	\$ 7,391,142
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the fund	 <u>55,481</u>
 Net position of governmental activities	 <u><u>\$ 7,446,623</u></u>

GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2018

REVENUES:

Property taxes	\$ 886,788
Interest on investments	<u>127,732</u>
Total revenues	<u>1,014,520</u>

EXPENDITURES:

District operations	<u>6,159</u>
Total expenditures	<u>6,159</u>
Revenues over (under) expenditures	<u>1,008,361</u>

OTHER FINANCING (USES):

Transfers out	<u>(180,000)</u>
Net change in fund balance	828,361

FUND BALANCE, BEGINNING 6,562,781

FUND BALANCE, ENDING \$ 7,391,142

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, 2018

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

Net change in fund balance - total governmental fund	\$ 828,361
Some revenue reported in the statement of activities do not provide current financial resources in the government fund	<u>4,548</u>
Changes in net position of governmental activities	<u><u>\$ 832,909</u></u>

GLADSTONE URBAN RENEWAL AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Budget for the		Actual
	Original	Final	1st Year FY 2017-18
REVENUES:			
Property taxes	\$ 1,638,500	\$ 1,638,500	\$ 886,788
Interest on investments	120,000	120,000	127,732
Total revenues	1,758,500	1,758,500	1,014,520
EXPENDITURES:			
District Operations	-	525,000	6,159
Materials and services	225,000	-	-
Capital outlay	300,000	-	-
Contingency	3,842,700	3,842,700	-
Total expenditures	4,367,700	4,367,700	6,159
Revenues over (under) expenditures	(2,609,200)	(2,609,200)	1,008,361
OTHER FINANCING SOURCES (USES):			
Transfers out	(5,000,000)	(5,000,000)	(180,000)
Total other financing sources (uses)	(5,000,000)	(5,000,000)	(180,000)

The accompanying notes are an integral part of these financial statements

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

(1) Description of the Agency and Summary of Significant Accounting Policies

The financial statements of the Agency have been prepared in accordance with accounting principles generally accepted in the United States of America (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 of 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 of Gladstone. The Agency Officials are not financially accountable for any other governmental entity. Financial accountability is determined in accordance with criteria set forth in GAAP, primarily on the basis of authority to appoint voting majority of an organization's governing body, 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, 2018.

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 of 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 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. The Agency report no indirect expenses. The Agency reports no program revenues. Taxes and other items not properly included among program revenues are reported 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. Currently the Agency has only one fund of the governmental fund type.

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

C. Basis of Presentation

The financial transactions of the Agency are recorded in the General Fund. The fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, 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 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.

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.

E. Cash and Investments

The Agency considers cash equivalents as all highly liquid investments with an original maturity of three months or less. Investments included 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

**GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018**

balance is recorded as a deferred inflow of resources because it is not deemed available to finance operations of the current period. 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 Inflows 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. Currently, the Agency reports only one classification of fund balance – 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 adopting 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

**GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018**

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 the Agency’s fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Expenditure categories of personal services, materials and services, capital outlay, debt service transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the Agency Board. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the Agency Board. Management may not amend the budget without seeking the approval of the Board. Appropriations lapse as of year-end.

(3) Cash and Cash Equivalents

At June 30, 2018 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>\$ 7,363,831</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.

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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 Agency does not have a deposit policy for custodial credit risk. 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. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2018, the book value and bank balance of the Agency’s deposits was \$21,419. None of the Agency’s bank balances were exposed to custodial credit risk as they were fully insured.

(4) Property Taxes

Property tax transactions for the year ended June 30, 2018, were as follows:

Tax Year	Taxes	2017-2018		Adjustments	Taxes
	Receivable July 1, 2017	Levy	Collections	and Discounts	Receivable June 30, 2018
2017-2018		\$ 918,366	\$ (874,425)	\$ (25,658)	\$ 18,283
2016-2017	16,817	-	(6,689)	(776)	9,352
2015-2016	9,886	-	(2,421)	(290)	7,175
2014-2015	7,052	-	(1,754)	(174)	5,124
2013-2014	5,311	-	(938)	(42)	4,331
2012-2013	3,985	-	(91)	(37)	3,857
Prior years	10,110	-	(218)	(44)	9,848
	<u>\$ 53,161</u>	<u>\$ 918,366</u>	<u>\$ (886,536)</u>	<u>\$ (27,021)</u>	<u>\$ 57,970</u>

(5) 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 2017 to 2018.

GLADSTONE URBAN RENEWAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

(6) Subsequent Events

On July 13, 2018 the City entered into two agreements to finance the design and construction of a new City Hall and Police Facility. The total amount of financing was \$6,800,000, with \$3,000,000 provided by a full faith and credit agreement guaranteed by the City, and \$3,800,000 provided by a note with the Urban Renewal District. Funds will be combined with existing Urban Renewal Agency cash for a total budget of \$13,300,000. Design began in June, 2018 with an estimated completion date of Summer, 2020.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *OREGON STATE REGULATION***

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH OREGON STATE REGULATION**

Agency Officials
Gladstone Urban Renewal Agency
Gladstone, Oregon

We have audited the basic financial statements of the Gladstone Urban Renewal Agency, a component unit of the City of Gladstone, Oregon, as of and for the year ended June 30, 2018 and have issued our report thereon dated January 30, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State.

Compliance

As part of obtaining reasonable assurance about whether the 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 grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162 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:

- 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. The Gladstone Urban Renewal Agency does not receive highway funds.
- 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 Gladstone Urban Renewal Agency does not have any elected officials collecting or receiving money.

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. 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 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Gladstone Urban Renewal Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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. Accordingly, we do not express an opinion on the effectiveness of the Gladstone Urban Renewal Agency's internal control.

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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina & Company, LLP
Tualatin, Oregon
January 30, 2019



REGULAR AGENDA

**UPDATE ON
METRO AFFORDABLE
HOUSING
BOND –
(no attachments)**

**GLADSTONE
CIVIC CENTER
UPDATE –
(no attachments)**

City of Gladstone Staff Report

Report Date : January 28, 2019
Meeting Date: February 12, 2019
To : Jacque Betz, City Administrator
Mayor and City Council
From : Jim Whynot, Public Works Director

AGENDA ITEM

Accept Oregon State Marine Board grant in the amount of \$133,000 for purchase of fabrication and delivery of new boat dock at the Meldrum Bar Park boat launch area.

History/Background

The boat boarding dock at Meldrum Bar Park is in need of replacement. It was originally installed in 1996, with partial funding provided by Oregon State Marine Board under Grant No. 832. Over the years, the dock has undergone numerous repairs, but is now well at the end of its life. Additionally, the boat launch area has infilled with sediment and could become unusable without maintenance.

The first phase in the boarding dock replacement was a sediment analysis to determine how the State will require disposal of the infill. At this time, we are awaiting the results of the sediment analysis. The recent federal government shutdown has significantly delayed this process, but we hope to have an answer soon.

The second phase is the purchase of the new boarding dock, which is the subject of this staff report. Public Works applied for, and received grant funding in the amount of \$133,000, leveraged by a cash match of \$10,000 and possibly \$2,500 in permitting fees, if required. Additionally, Public Works will let out the statement of work, award the contract for fabrication and delivery of the dock, as well as manage the contract requirements. Public Works will also provide force labor and equipment in the amount of \$11,500 for administrative oversight and removal and installation of the old wooden dock. The City of West Linn states they will provide assistance in installing the dock, and if necessary, will send their boat over to assist our crew with the installation.

A copy of the Boating Facility Grant Agreement No. 1627 Boarding Dock Fabrication and Delivery Project, attached hereto and marked *Attachment A*. It is important to note that under §5.1.9 *User Fees*, acceptance of this grant does not preclude the City from initiating reasonable user fees.

Proposal:

Staff proposes that the funding provided in Boating Facility Grant Intergovernmental Agreement No. 1627 be approved.

Options:

Section I

- Option 1 – Approve acceptance of Boating Facility Grant Intergovernmental Agreement No. 1627.
- Option 2 - Do not approve acceptance of Boating Facility Grant Intergovernmental Agreement No. 1627.

Cost Impact:

The City will put up \$10,000 in matching funds to leverage this grant.

The City will pay any fees associated with permits required for the removal and installation of the old and new docks. At this time, we do not anticipate that permits will be necessary.

Force account labor, equipment, and materials are estimated at \$10,000, and will be completed using existing staff, crew, and equipment, as well as any necessary rented equipment for removal of the old dock and installation of the new dock.

Force account administrative match will be provided in the preparation of the statement of work, awarding the contract for fabrication and delivery of the dock, as well as manage the contract requirements. These responsibilities will be performed using existing administrative staff.

Relevancy to Council Goals and Objectives Identified in the 2016-2020 Strategic Plan

Enhance the Livability in Gladstone

1.9 Partner and contract through IGA's on key issues

Maintain the Health and Long Term Vibrancy and Stability of Gladstone

4.4 Build in a capability to maintain our facilities (infrastructure, buildings, etc.)

Recommended Staff Action:

Staff recommends accepting the Oregon State Marine Board Boating Facility Grant Intergovernmental Agreement No 1627 by making the following motion:

“I move to accept the Oregon State Marine Board Boating Facility Grant Intergovernmental Agreement No. 1627.”

	<u>1/29/19</u>		<u>1-30-19</u>
Department Head Signature	Date	City Administrator Signature	Date



Department of Finance Grant Summary

City employees are encouraged to seek out grant funds and partnership opportunities. Individual employees interested in applying for a grant must communicate basic grant parameters before submitting a grant application.

Department: CITY OF GLADSTONE **PUBLIC WORKS DEPARTMENT**

Grant Name: FACILITY GRANT 1627, MELDRUM BAR BOARDING DOCK FABRICATION AND DELIVERY PROJECT	Grantor: OREGON STATE MARINE BOARD
Application Deadline: DECEMBER 12, 2018	Source of Funds: local / state / federal (circle one)
Date Application Submitted: DECEMBER 5, 2018	CFDA No.
Grant Period: 20 YEARS AFTER THE DATE OF PROJECT COMPLETION OR THE DATE OF FINALY PAYMENT ISSUANCE, WHICHEVER IS LATER.	Grant Amount: \$133,000.00

Grant Description: THIS GRANT IS FOR THE FABRICATION AND DELIVERY OF A BOARDING DOCK AT MELDRUM BAR PARK.
Reimbursement type: Yes / No (circle one)

Local Match Amount: \$ 10,000.00 CASH PLUS MATCHING ADMINISTRATIVE HOURS AND FORCE ACCOUNT EQUIPMENT AND LABOR.

Budget Year(s) for Local Match Amount or expenditures:

Year	2019	2019	2019	2019
Amount	\$10,000.00 CASH MATCH	\$1,500.00 ADMINISTRATIVE HOURS	\$10,000.00 FORCE ACCOUNT	\$2,500.00 PRE-AGREEMENT (PERMITS IF REQ'D)
12 Digit Ledger Account Number	100 526 616050 SYSTEM IMPROVEMENTS			

Budget Year (s) for Grant Proceeds/Revenue:

Year	2019-2039	20____	20____	20____
Amount	GRANT TERM: 20 YEARS			
12 Digit Ledger Account Number				



Department of Finance Grant Summary

City employees are encouraged to seek out grant funds and partnership opportunities. Individual employees interested in applying for a grant must communicate basic grant parameters before submitting a grant application.

Describe Reporting Requirements:

THE CITY WILL PUT UP MATCHING FUNDS IN THE AMOUNT OF \$10,000 CASH, AND \$2,500 IN PRE-AGREEMENT EXPENDITURES (PERMITS, IF NECESSARY).

IN ADDITION TO CASH MATCH, PUBLIC WORKS WILL PROVIDE ADMINISTRATIVE MANAGEMENT AND OVERSIGHT OF THE TERMS OF THE GRANT, INCLUDING, BUT NOT LIMITED TO SOLICITATIONS FOR QUOTES, CONTRACTOR SELECTION, CONTRACT MANAGEMENT, PREVAILING WAGE REQUIREMENTS, AND DOCUMENTATION OF FORCE LABOR.

PUBLIC WORKS WILL ALSO PROVIDE FOR THE REMOVAL AND DEMOLITION OF THE EXISTING DOCK, AND THE INSTALLATION OF THE NEW DOCK, UTILIZING OUR OWN EQUIPMENT, RENTED EQUIPMENT, PUBLIC WORKS CREW HOURS, AS WELL AS DONATED HOURS AND EQUIPMENT FROM THE CITY OF WEST LINN.

Department Head Signature

Return Summary to Carolyn Gray, Finance Department

Finance Approval

City Administrator Approval

BOATING FACILITY GRANT INTERGOVERNMENTAL AGREEMENT

Agreement No. 1627

This Agreement is between the State of Oregon acting by and through its State Marine Board (“OSMB”) and City of Gladstone (“Recipient”), each a “Party” and, together, the “Parties”.

SECTION 1: AUTHORITY

This Agreement is authorized by ORS 190.110. OSMB is authorized to provide grants for boating facility projects under ORS 830.150 and OSMB has sufficient facility grant funds available within its current biennial budget and has authorized expenditure on the Recipient’s Project as defined below, and the Recipient agrees to comply with Boating Facility Grant Program rules in OAR 250-014 and other OSMB adopted policies and procedures.

SECTION 2: PURPOSE

The purpose of this Agreement is to set forth the obligations of both Parties in the development of recreational boating facilities at *Meldrum Bar* for the Part 1 *fabrication and delivery of boarding docks* and Part 2 *Recipient removal and demolition of existing docks and installation of new boarding docks* hereinafter called the “Project,” as described in the Recipient’s Facility Grant Application *FG#1627* and Staff Report to OSMB. With this reference, the Facility Grant Application and Staff Report are made part of this Agreement. If a conflict exists between the Facility Grant Application, Staff Report and this Agreement, the Agreement will govern.

SECTION 3: EFFECTIVE DATE AND DURATION

- 3.1 **Term.** This Agreement is effective on the date of the last signature and terminates on the date 20 years after the date of Project completion or the date of final payment issuance, whichever is later, unless terminated earlier in accordance with Section 16.
- 3.2 **Project Completion.** The Project Part 1 shall be completed, and final billing shall be submitted to OSMB on or before June 30, 2019. OSMB funding is unavailable for work occurring after that date. The Project Part 2 shall be completed and submitted to OSMB, on or before October 1, 2019. Unless approved in writing, OSMB shall not be obligated to disburse any payments after this date.

SECTION 4: AUTHORIZED REPRESENTATIVES

- 4.1 OSMB’s Authorized Representative is:
Janine Belleque, Boating Facilities Program Manager
PO Box 14145, Salem OR 97309
435 Commercial Street NE Suite #400, Salem, Oregon
(503) 378-2628 Office, Janine.Belleque@oregon.gov
- 4.2 Recipient’s Authorized Representative is:
Steve Graves, Public Works Supervisor
City of Gladstone
525 Portland Ave., Gladstone, OR 97027
503-656-7957 Office, graves@ci.gladstone.or.us
- 4.3 A Party may designate a new Authorized Representative by written notice to the other Party.

FG 1627 – Boating Facility Grant: State Funds

SECTION 5: RESPONSIBILITIES OF EACH PARTY

5.1 Responsibilities of Recipient:

- 5.1.1 Project Timeline.** The Recipient is responsible for maintaining the project timeline for all dates and activities outlined as the Recipient's responsibility as identified in Attachment "A".
- 5.1.2 Matching Cash Funds.** The Recipient shall contribute the total sum of *\$10,000.00* in cash and *\$2,500.00* in pre-agreement expenditures as described in the Staff Report.
- 5.1.3 Matching Non-cash Resources.** The Recipient shall contribute the total sum of *\$1,500.00* administrative match and *\$10,000.00* force account labor, materials and/or equipment). These are non-reimbursable items.
- 5.1.4 Construction.** The Recipient shall award, and monitor the contractor's performance under the construction contract or construction consultant contract in such a manner as to insure compliance with Project plans and specifications. The Recipient must notify OSMB immediately of any proposed change in Project design, cost modifications, proposed change orders or modification of scope. The Recipient shall be responsible for all costs associated with unauthorized changes or modifications unless otherwise specifically agreed to in writing by OSMB.
- 5.1.5 Commercial and Other Uses.**
- a. For purposes of this Section 5, Commercial Use means any activity on or affecting the Project that was not described in the Facility Grant Application or Staff Report, or not approved pursuant to OSMB Policy 93-06 or 93-02, where the Recipient:
 1. has financial profit as a goal,
 2. charges any fees or receives any benefit to provide services, supplies or goods, or
 3. allows third parties to charge any fees or receive any benefit to provide services, supplies or goods.
 - b. Commercial Use is prohibited.
 - c. Recipient must have the capability to make an ordinance, rule, or other regulation to the effect that the Projects are for the benefit of recreational boaters, including, but not limited to prohibiting single cars from parking in boat trailer parking spots. If, in the sole discretion of OSMB, the use by non-recreational boaters such as swimmers, fishermen, divers, crabbers impact recreational boating uses or diminishes the useful life of the Project, then the Recipient must establish and enforce its ordinance, rule, or other regulation.
 - d. If Project funded a pumpout or dump station in a marina or short term tie-up dock, the Recipient must include language in its moorage

agreement requiring use of the pumpout and/or dump station if a boat has a holding tank or marine toilet.

- e. Recipient must restrict use of the Project to only boats that comply with ORS 830.770 and 830.775.

5.1.6 Project Sign. The Recipient shall post in a conspicuous location at the site a sign identifying OSMB's participation in the Project and source of funding. The sign will be maintained during the term of the Agreement.

5.1.7 Publications and Advertising. The Recipient shall include the following statement if publishing any report, news release or publication regarding the project: *"Partial funding was provided by the Oregon State Marine Board Boating Facility Grant Program, investing fees and taxes paid by motorized boaters for boating facility improvements."*

5.1.8 Public Access to Project. During the term of this Agreement the Recipient shall allow open and unencumbered public access to the Project to all persons without regard to race, color, religious or political beliefs, sex, national origin, or place of primary residence.

5.1.9 User Fees. Recipient shall notify and request written approval from OSMB of any user fees charged to recreational boaters for the use of the improvements described herein throughout the term of this Agreement. Fees charged shall be reasonable and are subject to review and approval by OSMB. If user fees are charged for the use of the completed Project, the Recipient shall maintain sufficient records and accounting procedures that demonstrate all of the gross income from the fees is used to defray direct operational costs (for example, maintenance and repair costs) for the Project. User fees may affect Maintenance Assistance Program, as described in OAR 250-014-0040 eligibility on publicly owned and operated Projects.

5.1.10 Maintenance. The Recipient shall at all times be responsible for the maintenance and operation of the Project and related facilities during the term of the Agreement. This does not restrict the Recipient's ability to subcontract for the performance of maintenance and operation services. Such subcontractors would be subject to Section 5.1.13, Indemnification by Subcontractors.

5.1.11 Payments. Recipient agrees to:

- a. Make payment promptly as due to all contractors, subcontractors, vendors or any other persons supplying labor or materials for the Project;
- b. All employers, including Recipient that employ subject workers as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide workers' compensation insurance coverage for those workers, unless they meet the requirement for exemption under ORS 656.126(2). Recipient shall require and ensure that each of its subcontractors complies with these requirements (unless inapplicable as a matter of federal law); and

- c. Not permit any lien or claim to be filed or prosecuted against OSMB, due to any construction or maintenance activities at the Project.

5.1.12 Alternative Dispute Resolution. The Parties should attempt in good faith to resolve any dispute arising out of this agreement. This may be done at any management level, including at a level higher than persons directly responsible for administration of the agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.

5.1.13 Indemnification by Subcontractors. The Recipient shall take all reasonable steps to cause its contractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon and its officers, employees and agents ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys' fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Recipient's contractor or any of the officers, agents, employees or subcontractors of the contractor ("Claims"). It is the specific intention of the Parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the contractor from and against any and all Claims.

5.1.14 Boating Facility Operation. The Parties have entered into other grant agreement(s) 832,925, 1368, 1621 which provide for the Recipient to operate boating facilities, including but not limited to, [restrooms, boat trailer parking, docks, boat ramps]. The Recipient shall continue to operate those boating facilities for the duration of this Agreement, even if the terms of the other grant agreement(s) have expired.

5.2 Responsibility of OSMB:

5.2.1 OSMB shall pay Recipient as described in Sections 6 and 7.

SECTION 6: CONDITIONS TO DISBURSEMENT

6.1 Conditions Precedent to Any Reimbursement. OSMB shall not be obligated to disburse any of the grant funds to reimburse the Recipient for Project costs hereunder unless OSMB has received from the Recipient:

- a. Prior to Project solicitation or construction, the final architectural and engineering plans, specifications, and cost estimate(s), statement of work, request for proposals or other documentation for the Project, documents must be in form and substance satisfactory to OSMB;
- b. Prior to Project construction a copy of all required, federal, state and local permits or approvals for the Project; and
- c. A copy of the contractor's, vendor's, supplier's bid pricing, unless the Recipient is completing the Project; and
- d. Reimbursement Requests must be submitted on the approved OSMB Boating Facility Grant Reimbursement form along with all supporting

documentation. Reimbursements shall be prorated between the Parties based on the percentage of their respective cash contributions as set forth in Section 5 and Section 7.

- 6.2 Conditions Precedent to Partial Progress Payment(s).** OSMB shall not be obligated to make partial progress reimbursement payment(s) hereunder until supporting documentation of the percentage of Project completion has been received, reviewed and approved by OSMB. In no event shall OSMB disburse more than ninety percent (90%) of the amount indicated in Section 7.1. as progress payments.
- 6.3 Conditions Precedent to Final Payment.** OSMB shall not be obligated to make final payment hereunder until the following have been completed or supplied:
- a. Supporting documentation in form and content determined by OSMB, has been received reviewed and approved by OSMB; and
 - b. Recipient provides a minimum of three photographs detailing the completed work. One photo must be of the installed sign crediting OSMB with funding the Project; and
 - c. Inspection and approval of the Project by OSMB.

SECTION 7: COMPENSATION AND PAYMENT TERMS

- 7.1 Grant Funds.** Upon approval by its governing body, OSMB shall provide grant funds in the amount of \$133,000.00 to the Recipient to fund the Project. OSMB shall not provide to the Recipient, and the Recipient shall not use any funds described in this section for administrative or for accounting costs whether or not related to this Agreement.
- 7.2 Payments.** After the Recipient awards the contract for the Project, and activities commence, OSMB shall, upon receipt of the Recipient's request for reimbursement and appropriate documentation all in form and substance satisfactory to OSMB, disburse funds to the Recipient in accordance with Section 6 "CONDITIONS TO DISBURSEMENT".
- 7.3 Overpayment.** In the event that the aggregate amount of OSMB's interim progress payments to the Recipient exceeds the allowable reimbursable costs of the Recipient for the Project, the Recipient agrees to refund to OSMB the amount paid in excess of such allowable expenses within thirty (30) days of final billing by the Recipient or the Project Completion Date, whichever is earlier.
- 7.4 Disallowed Costs.** The Recipient agrees that payment(s) made by OSMB under this Agreement shall be subject to offset or reduction for any amounts previously paid hereunder that are found by OSMB not to constitute allowable costs under this Agreement based on the results of an audit examination. If such disallowed amount exceeds the payment(s), the Recipient shall pay OSMB the amount of such excess within 30 days after written notice of disallowed costs is provided by OSMB.
- 7.5 Cost Savings.** Any cost savings realized on the Project shall be prorated between the Parties based on the percentage of their respective cash contributions as set forth in Section 7.1."GRANT FUNDS" and Section 5.1 "RESPONSIBILITIES OF RECIPIENT."

SECTION 8: REPRESENTATIONS AND WARRANTIES

Recipient represents and warrants to OSMB that:

- 8.1** Recipient is a city, duly organized and validly existing. Recipient has the power and authority to enter into and perform this Agreement;
- 8.2** The making and performance by Recipient of this Agreement (a) have been duly authorized by Recipient, (b) do not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of Recipient's charter or other organizational document and (c) do not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which Recipient is party or by which Recipient may be bound or affected. No authorization, consent, license, approval of, or filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by Recipient of this Agreement, other than those that have already been obtained;
- 8.3** This Agreement has been duly executed and delivered by Recipient and constitutes a legal, valid and binding obligation of Recipient enforceable in accordance with its terms;
- 8.4** Recipient has the skill and knowledge possessed by well-informed members of the industry, trade or profession most closely involved in providing the services under this Agreement, and Recipient will apply that skill and knowledge with care and diligence to perform its obligations under this Agreement in a professional manner and in accordance with the highest standards prevalent in the related industry, trade or profession; and
- 8.5** Recipient shall, at all times during the term of this Agreement, be qualified, professionally competent, and duly licensed to perform its obligations under this Agreement. The representations and warranties set forth in this section are in addition to, and not in lieu of, any other representations or warranties provided by Recipient.

SECTION 9: GOVERNING LAW, CONSENT TO JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively "Claim") between OSMB or any other agency or department of the State of Oregon, or both, and Recipient that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this Section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, to or from any Claim or from the jurisdiction of any court. **RECIPIENT, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.**

SECTION 10: OWNERSHIP OF WORK PRODUCT

10.1 As used in this Section 10 and elsewhere in this Agreement, the following terms have the meanings set forth below:

10.1.1 Project Ownership. OSMB acknowledges and agrees that the Project is the exclusive property of the Recipient. OSMB is neither responsible nor liable in any manner for the construction, operation or maintenance of the Project.

SECTION 11: NO DUPLICATE PAYMENT

The Recipient shall not be compensated for, or receive any other form of duplicate, overlapping or multiple payments for the same work performed under this Agreement from any agency of the State of Oregon, including, but not limited to, the Oregon Department of Fish and Wildlife, or the United States of America or any other party.

SECTION 12: CONTRIBUTION

12.1 If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 (a "Third Party Claim") against a Party (the "Notified Party") with respect to which the other Party (the "Other Party") may have liability, the Notified Party shall promptly notify the Other Party in writing of the Third Party Claim and deliver to the Other Party, along with the written notice, a copy of the claim, process and all legal pleadings with respect to the Third Party Claim that have been received by the Notified Party. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this Section and a meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to the Other Party's contribution obligation under this Section 12 with respect to the Third Party Claim.

12.2 With respect to a Third Party Claim for which OSMB is jointly liable with Recipient (or would be if joined in the Third Party Claim), OSMB shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of OSMB on the one hand and of Recipient on the other hand in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of OSMB on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. OSMB's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if the State had sole liability in the proceeding.

12.3 With respect to a Third Party Claim for which Recipient is jointly liable with OSMB (or would be if joined in the Third Party Claim), Recipient shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by OSMB in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of OSMB on the other hand in

FG 1627 - Boating Facility Grant: State Funds

Page 7 of 18 M:\CONTRACTS, IGAs, LEASES & GRANTS\GRANTS\Oregon State Marine Board\2018 Boat Dock Permit & Grant\Boat Dock Fabrication\Boat Dock Grant Agreement FG 1627.docx

connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of OSMB on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Recipient's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

SECTION 13: REMEDIES

- 13.1** In the event Recipient is in default under Section 16.3, OSMB may, at its option, pursue any or all of the remedies available to it under this Agreement and at law or in equity, including, but not limited to: (a) termination of this Agreement under Section 16, (b) reducing or withholding payment for work or Work Product that Recipient has failed to deliver within any scheduled completion dates or has performed inadequately or defectively, (c) requiring Recipient to perform, at Recipient's expense, additional work necessary to satisfy its performance obligations or meet performance standards under this Agreement, (d) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief, or (e) exercise of its right of recovery of overpayments under Section 14 (in addition to the remedies provided in Section 7.3) of this Agreement or setoff, or both. These remedies are cumulative to the extent the remedies are not inconsistent, and OSMB may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.
- 13.2** In the event OSMB is in default under Section 16.3 and whether or not Recipient elects to exercise its right to terminate this Agreement under Section 16, or in the event OSMB terminates this Agreement under Sections 16.1, 16.2, or 16.3, Recipient's sole monetary remedy will be (a) for work compensable at a stated rate, a claim for unpaid invoices for work completed and accepted by OSMB, for work completed and accepted by OSMB within any limits set forth in this Agreement but not yet invoiced, for authorized expenses incurred, and for interest within the limits of ORS 293.462, less any claims OSMB has against Recipient, and (b) for deliverable-based work, a claim for the sum designated for completing the deliverable multiplied by the percentage of work completed on the deliverable and accepted by OSMB, for authorized expenses incurred, and for interest within the limits of ORS 293.462, less previous amounts paid for the deliverable and any claims that OSMB has against Recipient. In no event will OSMB be liable to Recipient for any expenses related to termination of this Agreement or for anticipated profits. If previous amounts paid to Recipient exceed the amount due to Recipient under this Section 13.2, Recipient shall promptly pay any excess to OSMB.

SECTION 14: RECOVERY OF OVERPAYMENTS

In addition to the remedies provided in Section 7.4, if payments to Recipient under this Agreement, or any other agreement between OSMB and Recipient, exceed the amount to which Recipient is entitled, OSMB may, after notifying Recipient in writing, withhold from payments due Recipient under this Agreement, such amounts, over such periods of times, as are necessary to recover the amount of the overpayment.

SECTION 15: LIMITATION OF LIABILITY

EXCEPT FOR LIABILITY ARISING UNDER OR RELATED TO SECTION 12, NEITHER PARTY WILL BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR OTHER INDIRECT DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, REGARDLESS OF WHETHER THE LIABILITY CLAIM IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE. NEITHER PARTY WILL BE LIABLE FOR ANY DAMAGES OF ANY SORT ARISING SOLELY FROM THE TERMINATION OF THIS AGREEMENT IN ACCORDANCE WITH ITS TERMS.

SECTION 16: TERMINATION

16.1 Termination for Convenience. The Recipient may terminate this Agreement at any time upon thirty (30) days prior written notice to OSMB; provided, however, that the Recipient shall, within thirty (30) days of such termination, reimburse OSMB for all funds contributed by OSMB to the Project; provided further that until the Recipient has fully reimbursed OSMB for such funds, the Recipient shall comply with the terms hereof. Delinquent payments shall bear interest at the rate of nine percent (0.9%) per annum, as authorized by ORS82.010 or, if such rate shall exceed the maximum rate allowed by law, then as such maximum rate, and shall be payable on demand. After ninety (90) days OSMB will turn any delinquent debt over to the Department of Revenue for collection per ORS293.231.

16.2 Termination Because of Non-Appropriation or Project Ineligibility. OSMB, as provided in Section 27 "FORCE MAJEURE," may modify or terminate this Agreement and at any time upon 30 days prior written notice to the Recipient, may modify or terminate this Agreement if:

- a. OSMB fails to receive funding or allotments, appropriations, limitations, or other expenditure authority at levels sufficient to pay for the allowable costs of the Project to be funded hereunder or should any state law, regulation or guideline be modified, changed or interpreted in such a way that the Project, or any portion of the Project, is no longer eligible for facility grant funds as described in ORS 830.150.
- b. In the event insufficient funds are appropriated for the payments under this Agreement and the Recipient has no other lawfully available funds, then the Recipient may terminate this Agreement at the end of its current fiscal year, with no further liability to OSMB. The Recipient shall deliver written notice to OSMB of such termination no later than 30 days from the determination by the Recipient of the event of non-appropriation. OSMB shall pay for all authorized Project costs expended up to the date of written notice of termination.

16.3 Termination for Default. OSMB, at any time upon 30 days prior written notice of default to the Recipient, may modify or terminate this Agreement if:

- a. The design, permitting, or construction of the Project is not pursued with due diligence; or
- b. The Recipient's fee simple title to or other interest in the construction sites or Project is not sufficient, legal and valid; or

- c. The construction of the Project is not permissible under federal, state, or local law; or
- d. The Recipient, does not abide by the nondiscrimination and affirmative action provisions of this Agreement; or
- e. The Recipient, without the prior written approval of OSMB, uses the funds provided by OSMB hereunder to build any project other than the Project described in the final architectural and engineering drawings approved by OSMB; or
- f. The construction is not completed in a good and workmanlike manner or fails to comply with any required permits; or
- g. During the term of this Agreement, the Recipient fails to perform any obligation or requirement of this Agreement, including, but not limited to, exceeding the length of stay at a short term tie-up dock, allowing non-recreational boating use such as crabbing, fishing, swimming, diving or other activities to impact a recreational boaters ability to use the Project or coveys the Project or the Project property or any part thereof or converts the use of the Project or the Project property to a use that precludes free and unencumbered recreational public boating access.
- h. The Recipient defaults under any other agreement between the Parties.

16.4 Rights and Remedies. The Recipient shall, within 30 days of its receipt of a notice of default, cure the default or, if the default cannot be cured within 30 days reimburse OSMB for all funds contributed by OSMB to the Project. Further, OSMB shall have any and all rights and remedies available at law or in equity.

SECTION 17: NONAPPROPRIATION

OSMB's obligation to pay any amounts and otherwise perform its duties under this Agreement is conditioned upon OSMB receiving funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow OSMB, in the exercise of its reasonable administrative discretion, to meet its obligations under this Agreement. Nothing in this Agreement may be construed as permitting any violation of Article XI, section 7 of the Oregon Constitution or any other law limiting the activities, liabilities or monetary obligations of OSMB.

SECTION 18: AMENDMENTS

The terms of this Agreement may not be altered, modified, supplemented or otherwise amended, except by written agreement of the Parties.

SECTION 19: NOTICE

Except as otherwise expressly provided in this Agreement, any notices to be given relating to this Agreement must be given in writing by facsimile, email, personal delivery, or postage prepaid mail, to a Party's Authorized Representative at the physical address, fax number or email address set forth in this Agreement, or to such other addresses as either Party may indicate pursuant to this Section 19. Any notice so addressed and mailed becomes effective five (5) days after mailing. Any notice given by personal delivery becomes effective when actually

FG 1627 – Boating Facility Grant: State Funds

Page 10 of 18 M:\CONTRACTS, IGAs, LEASES & GRANTS\GRANTS\Oregon State Marine Board\2018 Boat Dock Permit & Grant\Boat Dock Fabrication\Boat Dock Grant Agreement FG 1627.docx

delivered. Any notice given by email becomes effective upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system. Any notice given by facsimile becomes effective upon electronic confirmation of successful transmission to the designated fax number.

SECTION 20: SURVIVAL

All rights and obligations of the Parties under this Agreement will cease upon termination of this Agreement, other than the rights and obligations arising under Sections 9, 10, 12, 14, 15 and 20 hereof and those rights and obligations that by their express terms survive termination of this Agreement; provided, however, that termination of this Agreement will not prejudice any rights or obligations accrued to the Parties under this Agreement prior to termination.

SECTION 21: SEVERABILITY

The Parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

SECTION 22: COUNTERPARTS

This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of the Agreement so executed constitutes an original.

SECTION 23: COMPLIANCE WITH LAW

23.1 Compliance with Law Generally. Recipient shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to Recipient and the Agreement. **Oregon False Claims Act.** Recipient acknowledges the Oregon False Claims Act, ORS 180.750 to 180.785, applies to any action by Recipient pertaining to this Agreement, including the procurement process relating to this Agreement that constitutes a "claim" (as defined by ORS 180.750(1)). By its execution of this Agreement, Recipient certifies the truthfulness, completeness, and accuracy of any statement or claim it has made, it makes, it may make, or causes to be made that pertains to this Agreement. In addition to other penalties that may be applicable, Recipient further acknowledges that if it makes, or causes to be made, a false claim or performs a prohibited act under the Oregon False Claims Act, the Oregon Attorney General may enforce the liabilities and penalties provided by the Oregon False Claims Act against Recipient. Recipient understands and agrees that any remedy that may be available under the Oregon False Claims Act is in addition to any other remedy available to the State or OSMB under this Contract or any other provision of law.

23.2 Tax Compliance. As set forth on Exhibit B, Recipient has complied with the tax laws of this state and the applicable tax laws of any political subdivision of this state. Recipient shall, throughout the duration of this Agreement and any extensions, comply with all tax laws of this state and all applicable tax laws of any political subdivision of this state. For the purposes of this Section, "tax laws" includes: (i) All tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318; (ii) Any tax provisions imposed by a political subdivision of this state that applied to Recipient, to Recipient's property,

operations, receipts, or income, or to Recipient's performance of or compensation for any work performed by Recipient; (iii) Any tax provisions imposed by a political subdivision of this state that applied to Recipient, or to goods, services, or property, whether tangible or intangible, provided by Recipient; and (iv) Any rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions.

Any failure to comply with the provisions of this subsection 23.2 constitutes a material breach of this Agreement. Further, any failure to comply with Recipient's certifications set forth in Exhibit B also shall constitute a material breach of this Agreement. Any failure to comply shall entitle OSMB to terminate this Agreement, to pursue and recover any and all damages that arise from the breach and the termination of this Agreement, and to pursue any or all of the remedies available under this Agreement, at law, or in equity, including but not limited to:

23.2.1 Termination of this Agreement, in whole or in part;

23.2.2 Offsetting against any amount owed to Recipient, and withholding of amounts otherwise due and owing to Recipient, in an amount equal to State's setoff right, without penalty; and

23.2.3 Initiation of an action or proceeding for damages, specific performance, declaratory or injunctive relief. OSMB may recover any and all damages suffered as the result of Recipient's breach of this Agreement, including but not limited to direct, indirect, incidental and consequential damages, costs of cure, and costs incurred in securing replacement Services and applications.

In addition, this Agreement will be reported to the Oregon Department of Revenue. The Department of Revenue may take any and all actions permitted by law relative to the collection of taxes due to the State of Oregon or a political subdivision, including (i) garnishing the Recipient's compensation under this Agreement or (ii) exercising a right of setoff against Recipient's compensation under this Agreement for any amounts that may be due and unpaid to the State of Oregon or its political subdivisions for which the Department of Revenue collects debts.

These remedies are cumulative to the extent the remedies are not inconsistent, and OSMB may pursue any remedy or remedies singly, collectively, successively, or in any order whatsoever.

SECTION 24: INDEPENDENT CONTRACTORS

The Parties agree and acknowledge that their relationship is that of independent contracting parties and that Recipient is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265 or otherwise.

SECTION 25: PERSONS NOT TO BENEFIT

No member of or delegate to Congress, resident commissioner, officer, agent or employee of the United States of America, member of the Oregon Legislative Assembly, elected official of the

FG 1627 – Boating Facility Grant: State Funds

Page 12 of 18 M:\CONTRACTS, IGAs, LEASES & GRANTS\GRANTS\Oregon State Marine Board\2018 Boat Dock Permit & Grant\Boat Dock Fabrication\Boat Dock Grant Agreement FG 1627.docx

State of Oregon, or official, agent, or employee of the State of Oregon, or elected member, officer, agent, or employee of any political subdivision, municipality or municipal corporation of the State of Oregon shall be admitted to any share or part of this Agreement or derive any financial benefit that may arise therefrom.

SECTION 26: INTENDED BENEFICIARIES

OSMB and Recipient are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement provides, is intended to provide, or may be construed to provide any direct or indirect benefit or right to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of this Agreement.

SECTION 27: FORCE MAJEURE

Neither Party is responsible for any failure to perform or any delay in performance of any obligations under this Agreement caused by fire, civil unrest, labor unrest, natural causes, or war, which is beyond that Party's reasonable control. Each Party shall, however, make all reasonable efforts to remove or eliminate such cause of failure to perform or delay in performance and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement. OSMB may terminate this Agreement upon written notice to Recipient after reasonably determining that the failure or delay will likely prevent successful performance of this Agreement.

SECTION 28: ASSIGNMENT AND SUCCESSORS IN INTEREST

Recipient may not assign or transfer its interest in this Agreement without the prior written consent of OSMB and any attempt by Recipient to assign or transfer its interest in this Agreement without such consent will be void and of no force or effect. OSMB's consent to Recipient's assignment or transfer of its interest in this Agreement will not relieve Recipient of any of its duties or obligations under this Agreement. The provisions of this Agreement will be binding upon and inure to the benefit of the Parties hereto, and their respective successors and permitted assigns.

SECTION 29: SUBCONTRACTS

Recipient shall not, without OSMB's prior written consent, enter into any subcontracts for any of the work required of Recipient under this Agreement. OSMB's consent to any subcontract will not relieve Recipient of any of its duties or obligations under this Agreement.

SECTION 30: TIME IS OF THE ESSENCE

Time is of the essence in Recipient's performance of its obligations under this Agreement.

SECTION 31: MERGER, WAIVER

This Agreement and all exhibits and attachments, if any, constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver or consent under this Agreement binds either Party unless in writing and signed by both Parties. Such waiver or consent, if made, is effective only in the specific instance and for the specific purpose given. EACH PARTY, BY SIGNATURE OF ITS AUTHORIZED REPRESENTATIVE,

FG 1627 – Boating Facility Grant: State Funds

Page 13 of 18 M:\CONTRACTS, IGAs, LEASES & GRANTS\GRANTS\Oregon State Marine Board\2018 Boat Dock Permit & Grant\Boat Dock Fabrication\Boat Dock Grant Agreement FG 1627.docx

HEREBY ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

SECTION 32: RECORDS MAINTENANCE AND ACCESS

Recipient shall maintain all financial records relating to this Agreement in accordance with generally accepted accounting principles. In addition, Recipient shall maintain any other records, books, documents, papers, plans, records of shipments and payments and writings of Recipient, whether in paper, electronic or other form, that are pertinent to this Agreement in such a manner as to clearly document Recipient's performance. All financial records, other records, books, documents, papers, plans, records of shipments and payments and writings of Recipient, whether in paper, electronic or other form, that are pertinent to this Agreement, are collectively referred to as "Records." Recipient acknowledges and agrees that OSMB and the Oregon Secretary of State's Office and the federal government and their duly authorized representatives will have access to all Records to perform examinations and audits and make excerpts and transcripts. Recipient shall retain and keep accessible all Records for a minimum of six (6) years, or such longer period as may be required by applicable law, following termination of this Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later. Subject to foregoing minimum records retention requirement, Recipient shall maintain Records in accordance with the records retention schedules set forth in OAR Chapter 166.

SECTION 33: HEADINGS

The headings and captions to sections of this Agreement have been inserted for identification and reference purposes only and may not be used to construe the meaning or to interpret this Agreement.

SECTION 34: ADDITIONAL REQUIREMENTS

Recipient shall comply with the additional requirements set forth in Exhibit C, attached hereto and incorporated herein by this reference.

SECTION 35: AGREEMENT DOCUMENTS

This Agreement consists of the following documents, which are listed in descending order of precedence: this Agreement less all exhibits, the Facility Grant Application, Recipient Staff Report, attached Exhibit A (the Project Timeline), Exhibit B (Certificate of Tax Compliance), and Exhibit C (Additional Requirements).

SECTION 36: ATTORNEY FEES

In the event that either party to this Agreement shall take any action, judicial or otherwise, to enforce or interpret any of the terms of this Agreement each party shall be wholly responsible for its own expenses which it may incur in taking such action, including costs and attorney fees, whether incurred in a suit or action or appeal from a judgment or decree therein or in connection with any nonjudicial action.

SECTION 37: SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below.

STATE OF OREGON acting by and through its State Marine Board.

Larry Warren, Director _____
Date

City of Gladstone

Signature _____
Date

Name: _____ Title:

Approved for Legal Sufficiency in accordance with ORS 291.047

Approval Authorized by Letter August 2, 2017
Steven Marlowe, Assistant Attorney General Date

EXHIBIT A
PROJECT TIMELINE

Responsibility	Date	Description
Recipient	February 2019	Solicit for materials quote
Recipient	March 2019	Evaluate Bids
OSMB	January - June 2019	OSMB staff will be available to consult with the Recipient.
Recipient	March 2019	Award dock fabrication and delivery contract
Recipient	May - June 2019	Materials delivered and stored on Recipients property.
Recipient	June 2019	Receive fabricator invoices, issue payment and request final reimbursement from OSMB.
OSMB	June 2019	Issue final reimbursement, close the grant and the term of the grant begins. <i>Note: OSMB funding is unavailable for work occurring after June 30, 2019.</i>
Recipient	July 2019	Remove and dispose of existing docks.
Recipient	July 2019	Install new docks
Recipient	August 2019	Provide documentation on labor, materials and equipment used to remove, dispose and install docks.

EXHIBIT B

CERTIFICATION OF TAX COMPLIANCE

The individual signing on behalf of Recipient hereby certifies and swears under penalty of perjury to the best of the individual's knowledge that:

1. The number shown on this form is Recipient's correct taxpayer identification;

Federal Tax Number 93-6002170

Oregon Tax Number 0512002-2

Organizational DUNS 087464350

2. Recipient is not subject to backup withholding because:

(i) Recipient is exempt from backup withholding,

(ii) Recipient has not been notified by the IRS that Recipient is subject to backup withholding as a result of a failure to report all interest or dividends, or

(iii) the IRS has notified Recipient that Recipient is no longer subject to backup withholding.

3. S/he is authorized to act on behalf of Recipient; s/he has authority and knowledge regarding Recipient's payment of taxes,

4. For a period of no fewer than six calendar years preceding the Effective Date of this Contract, Recipient faithfully has complied with:

(i) All tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318;

(ii) Any tax provisions imposed by a political subdivision of this state that applied to Recipient, to Recipient's property, operations, receipts, or income, or to Recipient's performance of or compensation for any work performed by Recipient;

(iii) Any tax provisions imposed by a political subdivision of this state that applied to Recipient, or to goods, services, or property, whether tangible or intangible, provided by Recipient; and

(iv) Any rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions.

Recipient Signature _____ Date _____

EXHIBIT C

ADDITIONAL REQUIREMENTS

1. Dock disposal does not allow for the sale, donation or reuse of the docks to another party. The docks were constructed using pressure treated wood which is typically not permitted for placement in the waterway or below the jurisdictional high water line. As part of OSMB stewardship efforts, we do not want the material reentering the waterway associated with any OSMB projects or the inadvertent transport or waterway contamination of aquatic invasive species. Docks must be disposed of in an approved upland facility.

City of Gladstone Staff Report

Report Date: February 5, 2019
Meeting Date: February 12, 2019
To: Mayor and City Council
From: Tami Bannick

AGENDA ITEM:

Appointment to the Budget Committee

History/Background:

Please be advised there is one (1) four-year term vacant on the Budget Committee, term to expire 12-31-2020.

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. Terms are staggered so that about one-third of appointments end each year.

Notice of the committee vacancy was advertised in the City newsletter and on the city's website. As of this date applications to the Budget Committee have been received from:

- Steve Bergeron
- Bruce Harman
- Katherine (Katie) Mason

Proposal:

There is one term on the Budget Committee that expires December 31, 2020. The Budget Committee consists of seven members of the City Council and an equal number of citizens at large.

Options:

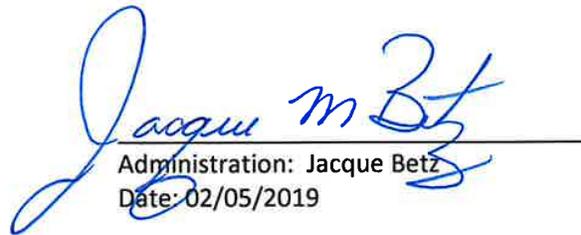
- 1) Appoint Budget Committee member.
- 2) Do not appoint Budget Committee member.
- 3) Continue to advertise for vacant position.

Cost Impact:

No impact.



Department Head: Tami Bannick
Date: 02/05/2019



Administration: Jacquie Betz
Date: 02/05/2019

RECEIVED

JAN 28 2019

CITY OF GLADSTONE



CITY OF GLADSTONE

APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES

- Budget Committee
- Planning Commission
- Traffic Safety Advisory Board
- Audit Committee
- Park & Recreation Advisory Board
- Library Advisory Board
- Senior Center Advisory Board

NAME: STEVE BERGERON

ADDRESS: 340 W. CLARENCE ST.

TELEPHONE: (HOME) 503-841-7611 (WORK/CELL) 503-841-7611

EMAIL: STEVE.M.BERGERON@GMAIL.COM

HOW LONG HAVE YOU LIVED IN GLADSTONE: 21 YEARS

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

DESCRIBE YOUR ACTIVITIES AND INTERESTS: Reading, Gardening

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: Machinist union
ACTIVE in my Labor Union

Serving AS Union Steward, Trustee, Auditor, Vice President + President
Secretary
Treasurer of Local A.A. Groups Club

Have you ever applied for a Committee Position Before? X YES NO
If yes, when? 3-4 YEARS Ago What Committee? Planning

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

SIGNATURE: Steve Bergeron DATE: 12 January 2019

RECEIVED

CITY OF GLADSTONE

JAN 15 2019



APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES
CITY OF GLADSTONE

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

NAME: BRUCE L. HARMAN

ADDRESS: 635 BARBARY PLACE, GLADSTONE

TELEPHONE: (HOME) 503-701-4191 (WORK/CELL) ---

EMAIL: BRUCEHARMAN@COMCAST.NET

HOW LONG HAVE YOU LIVED IN GLADSTONE: SINCE NOVEMBER, 1997

OCCUPATION/EMPLOYER (state your specific line of business): SEMI-RETIRED/REAL ESTATE
21 YRS SR. FINANCE MGR (DTNA) BROKER
12 YRS ~~SR~~ BUSINESS CONSULTANT (CSC)

DESCRIBE YOUR ACTIVITIES AND INTERESTS: ENJOY STAYING PHYSICALLY FIT, INCLUDING
REGULAR EXERCISE (RUNNING/WALKING), ENJOY
SPENDING TIME WITH FAMILY & FRIENDS.

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: MEMBER OF CALVARY
CHAPEL CHURCH, REGISTERED VOTER, NO PREVIOUS
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).

I BELIEVE MY FORMER BUDGETING EXPERIENCE
COULD BENEFIT THE CITY OF GLADSTONE

SIGNATURE: Bruce Harman DATE: 1/13/19

CITY OF GLADSTONE



APPLICATION FOR APPOINTMENT TO CITIZENS COMMITTEES

- Budget Committee
- Planning Commission
- Traffic Safety Advisory Board
- Audit Committee
- Park & Recreation Advisory Board
- Library Advisory Board
- Senior Center Advisory Board

NAME: Katherine (Katie) Mason

ADDRESS: 135 E. GLOUCESTER ST. GLADSTONE OR 97027

TELEPHONE: (HOME) _____ (WORK/CELL) 503-347-7282

EMAIL: masonkt@hotmail.com

HOW LONG HAVE YOU LIVED IN GLADSTONE: 7 years

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

DESCRIBE YOUR ACTIVITIES AND INTERESTS: see attached

PREVIOUS AND CURRENT COMMUNITY AFFILIATIONS AND ACTIVITIES, INCLUDING CITY APPOINTMENTS: This would be my first community affiliations. I hope to volunteer for more opportunities in the future.

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

If yes, when? _____ What Committee? _____

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



SIGNATURE: Katherine E. Mason DATE: 1/14/2019

Activities and Interests:

- Co-Chaired the PAC for the Police and Fire Levy for 2018
- PDC: Facilitated Investment Committee Meetings for Portland's Urban Renewal Districts.

Interests:

Current interests include volunteerism and being more involved in my local community. I am interested in learning how a small community functions. I enjoy looking at the small and big picture when it comes to spending.

Reason(s) for Applying

I reluctantly left North Portland for Gladstone back in 2012. However, I was immediately touched by the community and the "small town-ish" feel and I have no intention on leaving. I grew up in a political family and I am interested in learning how a small town functions financially. Over the last two years, I have become more interested in spending my time volunteering to help my local community. I enjoy our community members and would like to see more opportunities for involvement and activities.

City of Gladstone Staff Report

Report Date: February 6, 2019
Meeting Date: February 12, 2019
To: City Council
From: Cathy Brucker, Interim Finance Director

AGENDA ITEM

Approval of the City of Gladstone 2020/2021 Proposed Budget Calendar

History/Background

As the first step in the biennium budget process, a calendar is prepared to list out meetings and relevant timelines necessary for the production of the 2020/2021 Biennial Budget, spanning the fiscal years 2019/20 and 2020/21.

Proposal

An affirmative vote approving the budget calendar will set the process in motion for the 2020/2021 budget production and committee consideration.

Options

No other options have been considered.

Cost Impact

There is no cost impact related to this request.

Recommended Staff Action

Staff recommends approval of the Proposed Biennial Budget Calendar for 2020/2021.

Department Head

Signature

Date

Cathy Brucker 2/6/19

City Administrator

Signature

Date

Jacques M. St. 3 2-6-19



Budget Calendar 2020-2021 Biennium

February 12, 2019	City Council Meeting <ul style="list-style-type: none">• Consider and approve Budget Calendar
March 6, 2019	1 st Publication of March 25 th , 2019 Budget Committee Meeting
March 13, 2019	2 nd Publication of March 25 th , 2019 Budget Committee Meeting
March 18, 2019	Budget Committee Meeting <ul style="list-style-type: none">• Budget Process Orientation
March 25, 2019	Budget Committee Meeting <ul style="list-style-type: none">• Appoint Budget Officer• Receive the Budget Message• Review the Proposed Budget• Receive Public Comment• Approve Budget or schedule 2nd Committee Meeting
April 10, 2019	Publication of Budget Committee Meeting (if needed)
April 25, 2019	Budget Committee Meeting (if needed) <ul style="list-style-type: none">• Budget Committee Deliberations• Approve Budget
May 30, 2019	Publication of Notice of Budget Hearing and Financial Summaries
June 11, 2019	City Council Meeting/Conduct Budget Hearing <ul style="list-style-type: none">• Run Budget Hearing concurrent with City Council Meeting• Receive Public Comment• Adopt Budget<ul style="list-style-type: none">○ Make Appropriations○ Impose and Categorize Taxes
June 25, 2019	Submit Tax Certification Documents <ul style="list-style-type: none">• To County Assessor by July 15, 2019• File Budget with County Assessor and Designated Agencies
January, 2020	Schedule necessary publications for 2020-21 Biennial Budget Calendar

“DRAFT”

COUNCIL LIAISON APPOINTMENTS

FEBRUARY 2019

DEPARTMENT	PRIMARY LIAISON	RESERVE LIAISON
REGIONAL COMMITTEES C4, Metro, Etc.	Mayor Tammy Stempel <i>With Jacque Betz</i>	
BUSINESS & CIVIC Community Festival Outreach (LN) Welcome New Business (LN) Regional Economic Development (TS) Chamber of Commerce (LN) Clackamas County Tourism (LN) Business Alliance (LN)	Councilor Linda Neace Councilor Matt Tracy <i>With Jacque Betz</i>	N/A
SENIOR CENTER (Includes CERT)		Councilor Tom Mersereau
PARKS and RECREATION (Includes Park Master Plan, North Clackamas Urban Watershed Council)	Mayor Tammy Stempel <i>With Jim Whynot</i>	Councilor Matt Tracy
TRAFFIC SAFETY	Councilor Neal Reisner <i>With Sgt. Okerman</i>	Councilor Tom Mersereau
LIBRARY BOARD (Includes Regional)	Councilor Neal Reisner <i>With Mitzi Olson</i>	Councilor Linda Neace
PUBLIC WORKS	Councilor Matt Tracy <i>With Jim Whynot</i>	Mayor Tammy Stempel
Storm – Sewer Infrastructure	Mayor Tammy Stempel	
Water Infrastructure	Councilor Matt Tracy	
Development Liaison Committee	Mayor Tammy Stempel	
PLANNING	Councilor Tom Mersereau <i>With Melissa Ahrens</i>	Mayor Tammy Stempel
SCHOOL DISTRICT / BOARD	Tracy Todd	Councilor Neal Reisner
CLACKAMAS COUNTY WATER TOURISM STEERING COMMITTEE	Mayor Tammy Stempel	
WILLAMETTE FALLS LOCKS PROJECT	Mayor Tammy Stempel	

*Does not preclude any City Council member from being involved in areas when they have an interest.

**BUSINESS
CARRIED
FORWARD**

City of Gladstone Staff Report

Report Date: February 6, 2019
Meeting Date: February 12, 2019
To: Gladstone City Council
From: Jacque Betz, City Administrator

BUSINESS CARRIED FORWARD

Gladstone Downtown Revitalization Plan; Strategy for Immediate Implementation

History/Background

At the August 28, 2018 City Council Worksession the Council provided consensus for the City Administrator to enter into a personal services agreement with John Southgate LLC to prepare a *Gladstone Revitalization Plan; Strategy For Immediate Implementation*.

At the January 8, 2019 City Council meeting Mr. Southgate presented his recommendations form immediate implementation.

At the January 26, 2019 City Council Strategic Planning Session the Council gave City Administrator Betz authorization to utilize funds from the Community Promotions/Business Development Fund to retain limited duration expertise to carry out the most time-critical recommendations identified in the report.

Mr. Southgate and the City of Gladstone have entered into a personal services agreement (amount not to exceed \$7,500) to complete the following tasks from the January 8, 2019 report (Exhibit A).

- Development Code (Item #1)- work with County planning staff and the County's planning consultant on the ongoing work to amend the City's development code to better accommodate affordable/workforce housing. The amendments will include the most critical development code changes that are necessary to promote new mixed use, medium density projects along Portland Avenue.

These amendments related to allowing housing by right; density and height caps; and minimum parking standards. There are other code changes that were called out in the 2017 DRP that do *not* directly relate to housing. Some chief efforts will be to see if the City can easily incorporate these other revisions into the affordable housing work, or if instead the City needs to create a separate (possibly parallel) effort. If the latter is the case, then Mr. Southgate will work with County planning staff and Jennifer Donnelly (Regional Solution's Team) to determine whether we can line up other funding sources so as to efficiently and cost-effectively carry out the work. The work on the housing code revisions will include overseeing the appointment of an Advisory Committee, and staffing that Committee.

- Deliverable: Adopted development code revisions to better accommodate new mixed use, medium density development along Portland Avenue. Estimated timeline: completion Summer, 2019.
- Transportation Funding (Item #3). Mr. Southgate will actively engage in the ongoing discussions occurring at the County and regional levels regarding future transportation funding, with the goal of doing everything we can to position Gladstone to receive Regional Flexible Fund, 2020 Transportation Package, or possibly other dollars for either or both of the catalytic infrastructure investments identified in the Downtown Revitalization Plan – i.e. the streetscape enhancements to Portland Avenue, and the rebuilt Trolley Bridge. This work will entail ongoing dialogue with staff at Metro and the County, including attendance at the standing C4 Committee. The goal is to influence the project selection criteria in our favor, and to understand and comply with timelines, application procedures, etc.
 - Deliverable: The selection process and criteria for the two Metro-driven transportation funding sources (RFF and 2020) will take place between now and June, 2020. If we have an honest shot at either source, or other sources, this work will likely be ongoing for the entire year and beyond.
- Attainable Housing (Item #8). See discussion under first bullet – the revision of the development code related to affordable/attainable housing is incorporated in that larger code rewrite effort.
- Tour (Item #9). This entails Mr. Southgate identifying a suitable set of projects that could serve as positive examples of what we hope to see built in Downtown Gladstone. The tour would include members of the City Council, City officials as appropriate, and possibly partners from the County, Metro, and the State.
 - Deliverable: Tour with City Council and others as appropriate in Spring, 2019.
- Housing (Item #13). This work entails working with officials at Metro and the County, to determine the possibility of jointly acquiring a site in Downtown Gladstone for a possible new mixed use, mixed income project. Both the County’s Housing Authority and Metro’s Development section have funds for land acquisition. If we were successful in securing a site using these other entities’ funds, Mr. Southgate would then commence the process of identifying interested developers (both for-profit and non-profit), and possibly initiating the work around a development offering.
 - Deliverable: If there is interest on the part of either the County or Metro, this work could culminate in a site acquisition some time in 2019; a development offering would take place after the site is secured, and would likely occur under a future contract with the City (“Phase III”).
- Vertical Housing Development Zone (Item #16). This is a tool that is available to cities such as Gladstone that allows for a partial, ten year property tax abatement, as an incentive that helps make mixed use projects (like the Dahlia in Canby) more financially feasible. Mr. Southgate’s work would entail investigating the legislation to confirm that Gladstone complies and that there are no onerous requirements that would diminish the attractiveness of this tool for Gladstone. He would also intend to confer with affected taxing jurisdictions to hopefully win their support (which should be forthcoming; the incentive results in an *increase* in tax revenues).

- Deliverable: Creation of a Downtown Gladstone VHDZ by September, 2019.
- Strategic Partnerships. This is not listed as a specific recommendation in his report, but the importance of initiating and nurturing strategic partners is woven throughout the report. As he noted in the report, Gladstone will not be able to achieve its lofty goals on its own; it is imperative that we work closely with public and private sector partners. Consequently, he proposes to continue the work he has begun in Phase I, meeting with key players at agencies (especially Metro, the County, and the State) as well as private players (owners of key properties downtown, developers in the for-profit and non-profit sectors). He intends to work with all of them to identify resources, opportunities, and challenges. Much of his work with strategic partners will take place in the course of my endeavors in the prior specific tasks.
 - Deliverable: regular updates to City Administrator Betz (and Council as appropriate), to keep City leadership informed of key opportunities and issues as they arise. Timeline: ongoing, for duration of contract.

 Department Head
 Signature Date


 City Administrator 2-6-19
 Signature Date

**John Southgate, LLC
1020 SW Taylor Street, Suite 440
Portland, Oregon 97205**

Exhibit A

Color Key for Recommendations on Page 10

Highlighted in yellow- John Southgate assigned

Highlighted in Green- Jacque M Betz assigned

Highlighted in Pink- To be determined

December 26, 2018

TO: Jacque Betz, City Administrator, City of Gladstone

FROM: John Southgate

SUBJECT: Gladstone's Downtown Revitalization: Strategies for Immediate Action

Jacque, it is my pleasure to submit this memorandum, setting forth my analysis, observations and recommendations regarding short-term action strategies for the revitalization of Downtown Gladstone. I look forward to the City Council discussion on January 8, 2019, and to assisting you and the Council in any way I can to help you achieve your vision for an economically robust Downtown.

My recommendations are based on my review and analysis of the Downtown Revitalization Plan (adopted by City Council in September, 2017), and are informed to a considerable extent by interviews with key agency partners, developers, downtown property owners.

It is important to remind ourselves that Gladstone's resources are limited – not just financial resources, but also staff capacity. I have attempted to acknowledge these realities in formulating my recommendations by emphasizing program and project ideas that do not entail a significant outlay of funds. I have also provided some thoughts on approaches and partnerships that might be formed to supplement the City's limited resources. I look forward to the Council discussion on the 8th to further refine and prioritize my recommendations.

Key Findings & Recommendations

- Downtown Gladstone is poised to become a successful corridor. It has all the elements of such corridors – interesting older commercial buildings, walkability, charming older neighborhoods nearby, and a competitive affordability that will attract young families and individuals. It is easily accessible, with 205 and McLoughlin/99E providing quick

connections to the rest of the region via auto, transit, or walking/bicycle. Virtually every developer that I took on tours of Portland Avenue & environs were enthusiastic about the prospects for downtown. Most of them told me that they would be interested in pursuing new, medium density, mixed-use development.

- Notwithstanding this potential, it is critical to note that the work of revitalizing an older downtown or commercial district often takes many years – even decades – to occur.
- That said, there are actions that the City can and should take in the near term to “set the table” for new private development – actions that need *not* incur substantial cost to the City, especially since these actions rely to a large extent on securing other funding sources to carry them out. Chief among these are revisions to the Development Code; the introduction of incentive tools to help make new mixed-use development financially feasible; and the pursuit of regional transportation funding (i.e. non City dollars) to take on major “game changing” transportation investments.
- On that note, the Downtown Vision includes some “public realm” investments that would dramatically enhance the City’s appeal and success. These projects including the re-built Trolley Bridge and the Portland Avenue Streetscape improvements. Our timing is propitious to seek non-City funding for these critical investments.
- The City should capitalize on its opportunities to cultivate relationships (primarily with the County and Metro; possibly the State as well) to fund the major infrastructure improvements. The City’s success in securing these funds is likely tied to the City’s demonstration of commitment to sound urban growth and development principles – particularly around the alignment of the City’s downtown zoning regulations with its vision; incentives for downtown development; and policies related to attainable housing.
- The new Library will be a great asset for Downtown, however due to site constraints as well as the project schedule it is not conducive to pursuing a mixed use (ground floor library with housing on upper levels) unless the City wants to deviate from the current schedule and has additional funds to contribute.
- Because of the City’s limited financial resources and staff capacity, I recommend using the Community Promotions/Business Development Fund to retain a part-time, limited duration (non-benefitted?) staff to oversee the early implementation of my recommendations. This would mean that the City would hold off on inaugurating the Community Grant Program (which was discussed this past August). In the future, the Community Grant Program and possibly other programs discussed herein (pre-development grant program, and storefront façade improvement grant program).

Background

The City of Gladstone adopted the *Downtown Revitalization Plan* (the “Plan”, or the “DRP”) in September of 2017. The Plan lays out a Vision for Downtown Gladstone, a Vision that is compelling, comprehensive, and community-based. The Vision capitalizes on local and regional trends; and it addresses some of the challenges that have hampered Gladstone’s ability to seize on its opportunities. The Vision focuses around such elements as Economic Development, Portland Avenue, Multi-Modal Connections, Gateways & Unifying Elements, and Parking Management – with the Downtown Core serving as the over-arching theme. The Plan recommends a number of policy, program, and project actions intended to fulfill the vision. In short, the DRP serves as a sound blueprint for a promising future for Gladstone.

The full implementation of the various recommendations in the Plan will result in the resurgence of Downtown Gladstone as a substantial center of activity for the region. However, the recommendations represent considerable costs and staff resources to implement. Consequently, the City retained my services to prepare recommendations regarding which steps the City should consider in the immediate future (next two years), to best position the City to fulfill its downtown vision, in light of the City's currently limited resources.

By means of introduction, I have spent nearly forty years in the Portland area (and beyond) in the fields of urban planning and development. My focus for much of my career has been on redevelopment of areas like Downtown Gladstone – places that have the essential elements of a successful urban vitality but which are not as successful as they could be due to some combination of market dynamics, municipal investment (or lack thereof), and policy indifference. I worked with the Portland Development Commission (where I worked in the Pearl District, Interstate and Lents) and the City of Hillsboro (focused on the revitalization that is similar in many ways to downtown Gladstone); since 2012 I have been a private consultant, working on projects in Canby, Gresham/Rockwood, Lincoln City as well as places like Baton Rouge, Louisiana; Salt Lake City; and Fresno.

My approach in Gladstone has consisted of review of relevant reports (specifically the DRP as well as Gladstone's zoning regulations for Downtown); developer interviews; and consultations with staff at key agencies that directly or indirectly will have a major influence on Gladstone's

Gladstone Downtown Vision (quoted from the Downtown Revitalization Plan)

Downtown Gladstone is a unique, lively, and accessible community center that celebrates the history of the city while accommodating the needs of residents, businesses, and visitors with a mix of uses.

- *Portland Avenue is a successful mixed-use corridor where housing in various forms integrates harmoniously with a mix of restaurants, shops, and civic buildings, services, and gathering spaces.*
- *The corridor is a vibrant destination as well as a connection to other Gladstone neighborhoods, the Clackamas River, regional trails and natural areas, and nearby attractions outside of the city.*
- *Portland Avenue welcomes residents and visitors alike to Downtown Gladstone with a unifying streetscape design and easy and safe accessibility by foot, bike, or car.*

Developer Interviews

I spoke with several for-profit and non-profit developers, most of whom have long experience developing great projects in Clackamas County, and all of whom I have known for a long time and hold in high regard. They were enthusiastic about Downtown Gladstone, recognizing that while it has its challenges and is not an economically robust place yet, it has great bones and authenticity, walkability. They recognized that the new library will be a tremendous asset; they also shared my conviction that the streetscape improvements and new trolley bridge would

represent a serious step forward in “setting the table” for private development. They also put Downtown Gladstone and its development potential in the context of the region; their interest in Gladstone is formed partly by Gladstone’s unique assets, but also by the region’s limited land supply, and the significant regulatory constraints in much of the region.

This Section represents a summary of my conversations with developers (and local property owners), organized by key topics.

Development Code

One of the specific questions I posed to developers concerns the development code. As the DRP acknowledges, the current code is an impediment to medium density, mixed-use development envisioned in the DRP. These impediments pertain to maximum height, maximum residential density, and minimum parking. Does the Code allow food carts? Outdoor dining (including alcohol service?). Does it allow small scale manufacturing – for instance, could a brewery locate in Downtown, with both a manufacturing and food service component? Are uses allowed which *detract* from a walkable, pedestrian-friendly environment (e.g. mini-storage; auto-dominated drive-through restaurants, etc.)?

I sought developer input regarding whether the City should initiate legislative amendments to the Code for the purpose of better aligning the Code with the City’s vision, or instead whether the City should hold off on code changes until there is a serious development proposal in front of the City (letting that development proposal help to frame the code amendment process). The developers’ response was unanimous – all of them endorse code fixes in the near future, even if a future development project triggers a consideration of further modifications to the code.

Financial Feasibility

While quality developers are interested in Downtown Gladstone and see the potential, it is nonetheless unlikely that new mixed use, multi-story development would be financially feasible at the current time. The region is facing year-to-year construction price escalation of as much as 20%; with rents not rising at a commensurate pace. Consequently, it is almost certain that the City will need to consider offering some incentives to attract development. Ironically, higher density development actually triggers higher per-square-foot construction pricing than lower density development – higher density development (even three stories) often entails costly features that lower density development does not need to incorporate – such as elevators, steel or concrete framing, and structured parking.

Incentives that the City may want to consider include the State-authorized *Vertical Housing Development Zone* (a program under which 40-80% of new improvements in a mixed-use project are exempt from property taxes for ten years); land acquisition (through partnership with Metro, the Clackamas County Housing Authority, or the pending Clackamas County Land Bank Authority); and System Development Charge leniency (SDC waivers, deferral, favorable-term financing, and/or reform of rate formulas to reflect the true impact of higher density development).

Library

In my meetings with developers, one of the topics I addressed was the possibility of a mixed use project as part of the new Library site. There are at least three good examples of such projects in the region, in Sellwood, Hollywood, and Cornelius. All three entail a ground floor library with housing on the floors above (market rate condominiums in Sellwood; affordable rentals in Hollywood; and affordable senior rentals in Cornelius).

Unfortunately, the consistent message I heard was that the site of the new Library (currently occupied by the old City Hall/Police HQ) is simply too small to accommodate a library with housing above, along with parking, a drive-through lane, etc. Moreover, the Library project is moving forward on a relatively aggressive timeline (projected construction start of early Spring, 2020); even if the site were well-suited to a mixed-use project, it is unrealistic to try to coordinate the complexities of a mixed-use project within this timeframe. Also, the project would likely trigger prevailing wage requirements, not just for the public component (the library), but also for the private residential development above. Prevailing wage requirements can add 15-20% to project costs.

Other Developer Observations

- Gladstone has great access – 205 and McLoughlin, three bus lines, prospect of future high capacity transit, Trolley Trail/Bridge.
- Street/Public Realm will be key – ample sidewalks, quality lighting with banners, public art, on-street parking, narrow crossings at intersections, active storefronts with shops and eateries that attract visitors and residents alike, and activities (music performances, farmers' market, street fairs, etc.).
- Great bones – authentic, walkable Main Street (even if Portland Avenue currently lacks the amenities called for in the DRP)
- The Portland region is growing rapidly – 125 new residents a day. With other parts of the region becoming more difficult to build in (e.g. Portland), older walkable communities in Clackamas County (and elsewhere) are attracting developer interest. Downtown Milwaukie, Downtown Oregon City, Lake Oswego. The Cove in Oregon City (just across the Clackamas River from Gladstone) will have 400 new units in the near term.
- We may be on the cusp of another economic downturn nationally – so perhaps this is the time to tee up the policy framework to be ready for the next cycle.
- Consider short term actions to enliven Downtown – food carts, art, activities.
- Downtown could have three nodes that serve as the centerpieces of activity – the new City Hall at the north end; the Library near the center; and the north end of the new Trolley Bridge, where Portland Avenue intersects the scenic Clackamas River.
- Great older, walkable neighborhoods near Downtown. Similar to Milwaukie – its resurgence began with investment in older neighborhoods, which strengthened Downtown Milwaukie's customer base, eventually leading to new mixed-use development currently occurring there. (Milwaukie even has a new Library under construction – like Gladstone in another year or so!).
- Reconstruction of the Trolley Bridge will be a great asset – tying Gladstone into the region better (including all the exciting things happening in Oregon City nearby). Could

the Trolley Bridge be designed and built to incorporate a possible streetcar, connecting the Park Avenue Orange Line station, through Downtown Gladstone and on to the Amtrak Station and the Blue Heron site in Oregon City?

- Another great asset – the River!
- Given the lack of public-owned property available for redevelopment, several developers were interested in private properties that may be available (see discussion below)
- Notwithstanding all of these favorable attributes (existing and potential), I would be remiss if I didn't share developers' concerns about Downtown Gladstone as it currently stands. It is generally run-down in its appearance – many of the buildings lining Portland Avenue could use a sprucing-up. As noted, Portland Avenue currently is an unattractive street that is too wide (encouraging motorists to drive too fast). And also as noted, new mixed-use development simply doesn't "pencil" given the trajectory of construction costs vs. achievable rents. Food and beverage choices are limited (compare with the downtowns of Oregon City, Milwaukie, West Linn, and Lake Oswego), and there is a dearth of "cool places" and fun activities. Finally, there is the need for a business/Main Street type organization to help focus attention on Downtown.

Local Property Owner Observations

I was able to speak with several owners of property in Downtown Gladstone, whose properties occupy strategic locations. I noted developer interest in the area – and of the various possibilities such as Joint Venture partnerships, sale of property, or other deal structures. I discussed the Business Development fund, and the possibility of using some of these funds for a *Pre-Development grant program* which the City might institute (see Recommendations, below). Under this program, the City might pay for various pre-development activities which could help to provide a path forward for redevelopment of properties. Qualifying expenditures might include preliminary/concept design, financial feasibility analysis, appraisal, environmental, zoning analysis, and so forth. Prosper Portland (formerly the Portland Development Commission) has such a program whereby the agency contributes 80% of the costs of such expenditures up to a maximum of \$12,000, with the owner responsible for the remaining 20% (it is advisable for owners to have some "skin in the game"). Over the years, Prosper Portland's program has spurred \$30 of private investment for every \$1 of agency funds – a very impressive return!

One other area of discussion with private property owners concerned a scenario under which the City might sponsor a Development Offering of private properties. Ordinarily, a City will offer a public-owned property; but given the dearth of such properties in Downtown Gladstone (the only such property being the old Library site, which will become available when the new Library opens; but note that the old Library site is fairly small), it may behoove the City to engage owners of privately held properties *on a purely voluntary basis*, identifying potential incentives which the City might consider for projects that meet or exceed the City's expectations regarding density, quality of design, capacity to contribute to a more robust Downtown, etc.

Consultations with Agency Staff

In addition to conversations with developers and property owners, I had several fruitful discussions with public agency partners, summarized below:

Library (Clackamas County): My conversations with County staff took place at the early stage of my work. One of my original intentions was to explore the possibility of a mixed-use, multi-story project incorporating two or three floors of housing over the new Library. However, as noted earlier, there are several significant deterrents to this mixed-use concept. The site is probably too small to incorporate multiple uses including their requisite parking, Library drive-through, etc. As well, the Library is on a fast timeline that would not lend itself to going through a process to identify a developer and coordinate his/her program with the Library program and design. And finally, it is likely that a mixed-use development with a ground floor Library would trigger expensive prevailing wage requirements for the entire project (even the private portion).

Tourism (Mt. Hood Region – County Tourism): I met several times with staff from the Mt. Hood Region. With staff encouragement, we submitted a pre-application for a tourism grant, for the purpose of creating a preliminary design to connect the Trolley Bridge with Gladstone's waterfront park. However, it was a competitive grant cycle and we decided to not incur the added cost of preparing a full tourism grant application. That said, Mt. Hood Region staff continues to encourage Gladstone to capitalize on what is probably its best amenity – the River.

I also discussed with Mt. Hood Region staff the fact that Gladstone is now collecting an annual Transit & Lodging Tax (TLT). Their counsel is to form an advisory council to craft a tourism plan for Gladstone, with the TLT serving as a primary funding source (which may be augmented by County and State tourism dollars). They suggested contacting Oregon City's Economic Development staff to solicit their advice on the approach and likely components to such a plan. We *may* want to consider combining our efforts with Oregon City's.

Transit Oriented Development (Metro): Metro has several programs in which it partners with local governments and private developers to attract new transit oriented development (TOD) in such regional and town centers like Portland Avenue. Some of the programs are oriented to sites closer to high capacity transit (MAX lines and frequent-service bus lines); and Downtown Gladstone may not be eligible for some of these programs. However, Metro TOD staff did encourage Gladstone to engage Metro in possible land acquisition. Sites that Metro acquires could be used in conjunction with the recently-approved Metro Housing Bond to create mixed income, medium density residential/mixed-use projects. Such projects may also be eligible for partnerships with the County (particularly the Housing Authority) and the State (which has several funding programs targeting workforce housing).

Transportation Project Funding (Metro, Clackamas County): The most important public investments that Gladstone could make to attract new private development that aligns with the City's vision are the Portland Avenue streetscape improvements and the re-built Trolley Bridge. Given the City's limited resources, I had several fruitful and encouraging discussions with staff at both Metro and Clackamas County, regarding funding for these two projects. While there will be significant competition across the region for Metro transportation funds, the good news is that

our timing is propitious – processes will be underway early in 2019 for two major sources – the Regional Flexible Funds program, and the proposed 2020 Transportation Package.

The formal process for both of these funds is still in flux (again, this is good news; it is *not* too late for the City to engage in the framing conversations). For both funds, Metro will be engaging local agencies (in our case, primarily the County, including both the Clackamas County Coordinating Committee, as well as the Metro C-4 Subcommittee) regarding project selection criteria, process for local prioritization, etc. In the case of the Regional Flexible Funds, there will be about \$40 - \$45M, with dollars actually not available until 2022. At this early stage (i.e. without clear direction regarding the selection criteria), I believe that it would be reasonable for the City to pursue \$500,000 - \$1,000,000 towards the design and preliminary engineering for the Portland Avenue project as described in the Downtown Revitalization Plan (total cost of the project is estimated to be in the \$5-6M range).

The 2020 Transportation Package will likely entail a variety of sources (including a Voter bond in November, 2020) for a significant (multiple billions of dollars) set of transportation investments including the proposed Southwest Corridor MAX line, enhanced freeway interchanges, as well as corridors throughout the region.

Again, the criteria have yet to be formalized, but will probably include such factors as congestion, safety, pedestrian/bicycle, equity, air quality, climate, and resiliency. While the “ground rules” for Metro funds are still being defined, it is safe to assume that cities which provide a match to regional funds will be in a stronger position to win funding than cities which provide limited or no match dollars. Recognizing that Gladstone has very limited financial resources to contribute to infrastructure projects, it behooves the City to initiate policy actions that will help demonstrate that Gladstone takes serious its commitment to actions that will help foster the sort of development that Metro and other decision-makers seeks to foster. What this means in practice is that Gladstone will help itself *and* make itself a more appealing partner to Metro by taking such actions as the following:

- Align the zoning regulations with the City’s vision as set forth in the DRP
- Initiate incentive tools to help make mixed use, medium density development more financially feasible (see discussion under “Developer Interviews – Financial Feasibility”, above)
- Partner with Metro in considering land acquisition for possible mixed income, multi-story development
- Consider revisions to the City’s development code to better accommodate affordable housing – Cottage Cluster housing, Accessory Dwelling Units, etc.

Finally, with regard to transportation funding, it bears noting that the Regional Flexible Funds and 2020 Transportation Package are not the *only* sources. There are a variety of State funding possibilities, as well as such federal sources as the BUILD program (formerly “TIGER” grants).

Urban Renewal

Urban Renewal is a major funding source that most communities in the Portland region and beyond utilize to carry out their downtown agenda. Urban Renewal dollars can be used for land acquisition, public improvements (streets, parks, bridges, etc.), storefront improvements, as well as direct participation in public-private partnerships.

I recognize that there are constraints on the use of urban renewal to help implement Gladstone's Downtown Revitalization Plan; indeed, the City's current urban renewal debt position may preclude any serious consideration of urban renewal for the next 8-9 years. But I would be remiss if I failed to note that sooner or later the City should consider either amending its existing urban renewal area boundary to include the Portland Avenue Corridor, or consider creating a new URA for the area. Without urban renewal dollars, the City may always be struggling to find local dollars to leverage outside dollars (public and private) to carry out the Downtown agenda.

Community Promotions/Business Development Fund

The City has approximately \$100,000+ in funding from its business license revenue. The City Council has discussed using as much as \$50,000 of these funds for a Community Promotion grant program. The idea being small grants for projects that benefit the community in some tangible way. I commend this program; we had a similar program in Hillsboro and it was popular and effective. *However*, I recommend holding off the implementation of this program in 2019; instead reserving the dollars to retain a part-time, limited duration staff person to carry out the most time-critical recommendations identified in this report (beginning on page 10).

When a Community Grant Program *is* implemented, I suggest the following "ground rules" for this program:

- A cap of \$5,000, on a reimbursable basis with prior approval through a simple application form (including a statement from the project sponsor as to how the project will benefit Gladstone and its residents).
- I wouldn't necessarily *require* that a project sponsor provide a match to obtain the grant, but "extra points" should be awarded to those applicants that contribute something (even 10%) to a project or program's cost.
- Funds should not serve to merely prop up existing operations, but rather should serve to spur either new physical projects or programs. Banners promoting a community event; scholarships for low income kids to attend summer camp; under-writing a community recital series or arts program. The ideas are limitless.
- As to marketing the fund, I suggest the usual things – a press release; an ad in the local papers; information on the City's website; social media. I also suggest outreach to organizations that may be interested or may know someone else who could be interested– business groups; PTAs; the Rotary; etc.

Other Projects & Opportunities

While my work was focused on Downtown Revitalization, several intriguing opportunities/challenges arose in my interviews that bear mentioning at least in passing:

- **Waterfront:** Gladstone's greatest asset is its waterfront – really *two* waterfronts, along the Clackamas and Willamette Rivers. While there are public open spaces along sections of these waterfronts, there is an opportunity to craft a much bolder vision for the waterfront, entailing both expanded public ownership and activity, but also private development to capitalize on this tremendous asset. This is probably an expensive, long-term play, but it is not too early to *begin* to craft a vision.
- **Seventh Day Adventist property:** This property is a regional asset; there are few 70 acre sites within the region that benefit from close proximity to freeways. I have learned that there may be significant constraints on how the land can be developed (conditions of the original private donation to the church, restricting the land to church or related uses, i.e. education). Given the prominence of its location and its size, it surely bears some consultation with the church, while fully respecting both any constraints that may affect the ultimate disposition of the property, as well as the prerogative of the church (as with any property owner) to determine the best course of action.
- **Equity/Affordability:** The entire region and State struggle with the issue of attainable housing. This report touches on this subject at several junctures. Gladstone currently boasts a relatively affordable, if somewhat limited, stock of ownership and rental housing. As the area grows, and as new development forces prices up, it will behoove the City to intentionally consider measures to protect and increase housing options for households with lower and moderate incomes. The ongoing conversation regarding HB 4006 with the County, the State Department of Land Conservation & Development, and others is an appropriate forum for these issues. In addition, Metro will be issuing grant dollars for this type of work early in 2019; pursuit of these funds is included in the Recommendations section of this report, below.

Recommendations

The following are my recommendations for near term actions to advance Gladstone's efforts to create a more economically robust Downtown. These recommendations are primarily based on my interviews with developers, property owners, and public agency partners, along with my experience working in similar contexts. It bears noting that these recommendations are also based on my understanding that the City's financial and staff resources are very limited; consequently, with most recommendations I lay out a staffing/funding approach (*in parentheses*).

1. **Development Code (2019):** Partner with Clackamas County planning staff to move a package of amendments to the development code (and related amendments to the Comprehensive Plan) as identified in the DRP. Coordinate the amendment package with developers, perhaps through a Developer Roundtable (to assure that we're not missing anything, or the specific language of proposed revisions is problematic from a developer standpoint). (*Staffing & Funding: Approach the County Planning staff to ascertain whether they can incorporate this effort in their work program; OR seek a State*

Transportation & Growth Management grant; OR use the Business Development Fund to directly retain a consultant to perform the work)

2. Pre-Development Grant Program (2020): Inaugurate a pre-development grant program, using the Community Promotions/Business Development fund. Incorporate features such as maximum grant amount (\$12,000?); required property owner match (20%?); demonstration of property owner commitment to seriously pursue development; and delineation of eligible, reimbursable expenses (preliminary design; code analysis; environmental assessment; appraisal; financial feasibility analysis, etc.). Market to property owners through individual outreach, City website. *(Staffing & Funding: Use a small portion of the available Business Development funds to retain a consultant to draft the ground rules, and to advise the City in evaluating applications and approving the work program for any particular grant; OR contact the County Economic Development Department regarding its possible assistance in establishing and administering the program).*
3. **Transportation Funding (2019)**. Participate in County and Metro discussions regarding Regional Flexible Funds and 2020 Transportation Package. Primary activities include regular consultation with County and Metro transportation staff, and attendance at C4 (Clackamas County Coordinating Committee) meetings (including C4 Metro Subcommittee). Also – pursue other funding possibilities as appropriate (BUILD, State programs, etc.) *(Staffing & Funding: At least initially, this effort will not require any expenditure of funds, but rather simply staff engagement as criteria for these dollars are developed in the next several months. This could either be accomplished by having the the proposed new part-time limited duration Project Manager – funded through the Business Development Fund – participate in discussions with Metro and the County; and/or coordinate closely with County Transportation staff)*
4. **Trolley Bridge (2020)**. Engage in design refinement to bridge design; ideally to make sure that the design is best suited to qualify for regional transportation dollars (i.e. incorporation of resiliency capacity, and possible future streetcar capacity); and also to seek to protect against the risk that Value Engineering will compromise the aesthetics of the bridge design. *(Staffing & Funding: This is another project which should not entail any significant outlay of funds in the foreseeable future. Participation in the Trolley Bridge design and value engineering efforts should be staffed directly by the City Administrator; possibly with assistance from the aforementioned part-time Project Manager funded out of the Business Development Fund)).*
5. **Library (2019)**. Continue to participate in the refinement of the Library programming and design; to seek to assure that the functions, programming and design of the Library meet or exceed Gladstone’s expectations. *(Staffing & Funding: Another project which should not entail any significant outlay of funds. The City Administrator should continue to serve as the City’s lead).*

6. Meet with officials from the 7th Day Adventist Church (2019), to ascertain their intentions for their property and their willingness to participate in discussions regarding possible partnerships with the City to determine mutually beneficial long-term options for the property. *(Staffing & Funding: No expenditures – a single meeting involving the City Administrator and the aforementioned Project Manager. Follow-up meetings may ensue, and eventually it may be warranted to formulate a more detailed approach, funding, etc.)*
7. Waterfront Opportunities (2020): Convene a Round Table with Economic Development officials from the County, Metro, Business Oregon, Regional Solutions, Mt. Hood Territory, and others as appropriate to consider options to seize on opportunities affecting the Gladstone waterfront. *(Staffing & Funding: Use a small portion of the Business Promotions fund to cover costs – refreshments, a meeting facilitator – possibly the new Project Manager, and drafting of a final report and recommendations).*
8. **Attainable Housing (2019)**: Initiate a policy review of City regulations affecting the feasibility of attainable housing, i.e. housing serving workforce households. Consider such factors as zoning (e.g. maximum density and height, minimum parking, etc.), fees/Systems Development Charges, incentives, cottage clusters, accessory dwelling units, etc. Consider forming a Housing Task Force, to work with staff of relevant agencies (Metro, State Housing, County Planning, County Housing Authority) along with for-profit and non-profit developers. *(Staffing & Funding: It is likely that other funding sources from Metro or the State Housing Department may become available to cover most if not all of the funding for such a project; with the new Project Manager to oversee any such activities).*
9. **Tour (2019)**: City Council and senior staff tour regional examples of public-private partnerships, including on-site meetings with developers, elected officials, and agency staff. Purpose is to get a better of understanding of what it takes to make these projects happen. Examples: Canby, Milwaukie, Lents, etc.. *(Staffing & Funding: minimal; may require limited consultant/Project Manager hours to arrange tour details)*
10. **Portland Avenue Storefront Façade Improvement Program (2020)**: Inaugurate a storefront façade improvement grant program, using future allocations of the Community Promotions/Business Development fund. Incorporate features such as maximum grant amount (\$25,000?); required property owner match (50%?); and delineation of eligible, reimbursable expenses (restoration or replication of original façade; signs; awnings; paint color; etc.); obligation to work with architects pre-selected by the City (quality control). Market to property owners through individual outreach, City website. *(Staffing & Funding: Use a small portion of the available funds to retain a consultant or the aforementioned Project Manager to draft the ground rules, and to advise the City in evaluating applications and approving the work program for any particular grant; OR contact the County Economic Development Department regarding its possible assistance in establishing and administering the program).*

11. **Engage property & business owners in a Main Street organization (2019)**. Encourage property and business owners along and near Portland Avenue to form an organization. Start small – meet monthly. Opportunity for property/business owners to compare notes with each other and with City officials and others regarding projects and initiatives (zoning code amendments, bridge, library, etc.); opportunity to coordinate in business district improvement projects, initially modest (and inexpensive) in scope (hanging flower baskets? Banners?). Events (a street fair? Farmers’ market?). Encourage sidewalk businesses. Bring in Sheri Stuart (State Main Street Program Coordinator) to explain the benefits of her program. Advocacy for regulations, incentives. Coordination on hours of opening. Parking cooperation (e.g. shared lots). Related to this work, consider re-invigorating the historic preservation program, including pursuit of CLG (Certified Local Government) status from the State Historic Preservation Office (SHPO). CLG status opens up SHPO funding opportunities. *(Staffing & Funding: undetermined – will depend in part on the level of stakeholder interest.)*
12. SDCs (2020): Conduct an examination of possible modifications to the Systems Development Charges programs, to determine how these programs might help to leverage new private development. Consider SDC waivers, deferral, or lenient financing provisions, as well as revised rate structures (for instance, charge a small apartment a lower fee/rate than a larger single family dwelling) Knowing that the City relies on SDCs for funding and that it has recently updated its SDC programs, it may behoove the City to limit any possible revisions to a very particular class of new development – i.e., new multi-story mixed use development along/near Portland Avenue. *(Staffing & Funding: will require funds to retain a consultant to perform the desired services; best to start by consulting with Metro, State, and County officials to ascertain possible funding sources).*
13. **Housing (2019)**: Participate in ongoing discussions with staff from Metro and the County regarding policy and funding opportunities affecting affordable/attainable/workforce housing, including possible acquisition of a suitable site for mixed income housing development using *either* Metro’s bond dollars *or* TOD (Transit Oriented Development) funds. *(Staffing & Funding: limited to some combination of City Administrator time and/or consultant time; OR the part-time Project Manager).*
14. Community Promotions/Business Development Fund (2019): per above, utilize this fund to retain a part-time, limited duration employee to oversee the priority (“2019”) projects and programs identified herein. Use future allocations as available to create a Pre-Development grant program and a Storefront Façade Improvement grant program, in addition to the Community Grant Program.
15. Development Offering (2020): prepare a development offering for the City’s old Library site as well as for any properties whose owners voluntarily choose to participate; identifying City incentives which the City will consider for projects which meet or exceed the City’s expectations regarding density, quality of design, capacity to contribute to a more robust Downtown, etc. *(Staffing & Funding: will likely require consultant assistance, or the Project Manager funded with Business Development revenues).*

16. **Vertical Housing Development Zone (2020)**: examine the possibility of this partial tax abatement program for new mixed use development. Recommend boundaries. *(Staffing & Funding: will likely require consultant/Project Manager oversight, or possibly assistance from the Clackamas County Housing Department).*
17. **Tourism Plan (2020)**: In consultation with staff from the Mt. Hood Region (the County Tourism office) and with Oregon City staff, initiate a Tourism Plan that capitalizes on Gladstone's exceptional assets – above all the rivers. Address how the City's TLT dollars might best be deployed, and what type of projects might best attract County and State tourism grant funds. *(Staffing & Funding: consider using existing TLT funds to retain a tourism consultant OR to contract with Oregon City Economic Development or the Mt. Hood Region. Form an unpaid Advisory Committee to include the Mt. Hood Region; North Clackamas Chamber; County Economic Development staff; and representatives from Gladstone lodging and other tourism-based businesses, e.g. restaurants. If a new Project Manager is retained, he/she should oversee the City's engagement).*

Conclusion: The Choice

Gladstone is at a crossroads; a time of choices for the City that will resonate for years to come. Regional market forces combined with Downtown Gladstone's unique circumstances, assets, and challenges lead to the conclusion that Gladstone can choose to chart an *intentional* course with a promising future for Downtown and indeed for the entire City; or it may opt to ignore these factors and let things happen as they will, unintentionally as it were.

If Gladstone is to achieve its potential, partnerships will be absolutely essential. Partners to help with funding, or with the adoption of policies to align Gladstone's regulatory framework with its compelling aspirations. Partners in the private development sector who recognize the current challenges of Downtown Gladstone, but who are also inspired by the potential. These partners are at the table, willing to help the City, but they will not force themselves on the City; the City needs to *choose* to engage.

Even under the best of circumstances, the City needs to consider that achieving a bold vision takes considerable effort and time. Even if Gladstone makes a strong commitment in staffing, resources, policy initiatives, and investments, it will likely still take years (maybe even decades) to achieve the vision.

That said – inaction will practically guarantee that the vision will not be achieved. The work is hard, the resources are limited – but the opportunities are great. It is for Gladstone to decide whether to seek to achieve its vision for a great downtown.

**CITY COUNCIL
MONTHLY
ACTIVITY
REPORTS**

MAYOR TAMMY STEMPEL

JANUARY 2019 – CIVIC ACTIVITY DETAIL

MEETINGS - ACTIVITIES

- 1/2/2019
 - Gladstone Food Pantry – Shift
 - Senator Jeff Merkeley – Elected Officials Meeting
 - Senator Jeff Merkeley – Town Hall
- 1/5/2019
 - Gladstone Food Pantry – Shift
- 1/7/2019
 - Clackamas County Local Public Safety Coordinating Committee Meeting
- 1/8/2019
 - Gladstone City Council Meeting
- 1/9/2019
 - Gladstone Food Pantry – Shift
 - Gladstone School Board Meeting
- 1/10/2019
 - Travel Oregon | Clackamas County Water Tourism Studio Kickoff Meeting
 - Parks and Rec – Goals and Agenda Meeting
 - Gladstone Historical Society Meeting
 - FOGNP Meeting (Friends of the Gladstone Nature Park)
- 1/14/2019
 - Gladstone Parks and Rec Board Meeting
- 1/15/2019
 - Senior Center Board Meeting
 - Gladstone Planning Commission Meeting
- 1/16/2019
 - Gladstone Food Pantry – Shift
 - GCCF (Gladstone Center for Children and Families) 10th Year Celebration
 - Park Event – Lunar Eclipse Coordination
- 1/18/2019
 - County Environmental Needs Group meeting
 - Police – Citizen Driven Issue
- 1/19/2019
 - Food Pantry Shift Fill-In
 - Gladstone Fire Department Burn to Learn Event
 - Affordable Housing strategic planning meeting
 - Council President meeting – work plan
 - Police – Citizen Driven Issue
- 1/20/2019
 - ROW meeting
 - Police – Citizen Driven Issue
- 1/21/2019
 - Lunar Eclipse event
- 1/22/2019
 - Logistics Meeting with Jacque – Strategic Planning Meeting
 - Kiwanis Meeting

- 1/23/2019
 - Gladstone Food Pantry – Shift
 - Metro – Quarterly Trails Forum
- 1/24/2019
 - City Day at the Capitol
- 1/25/2019
 - Gladstone Strategic Planning Session
 - ROW meeting
 - Congressman Kurt Schrader’s Leadership Roundtable
- 1/26/2019
 - Gladstone Strategic Planning Session
 - Clackamas Watershed Restoration Brainstorming meeting
- 1/28/2019
 - WES Elected Officials Forum – Sewer District Governance
 - Gladstone Traffic Safety Commission Meeting
 - Metro – Designing Livable Streets and Trails Technical Group Meeting
 - Clackamas County Local Public Safety Coordinating Committee Meeting
- 1/29/2019
 - Kiwanis Meeting
 - Library Advisory Committee Kick-Off Meeting
- 1/30/2019
 - Gladstone Food Pantry – Shift
 - Gladstone City Ethics Training and Volunteer Orientation
- 1/31/2019
 - ROW Meeting – Comcast
 - Oregon Food Bank – Shop the Dock

NOTES

1. Gladstone Food Pantry
 - Received a flag from Senator Jeff Merkeley honoring the group for all of the work they have done.
 - Alex Van Pelt is the new staff coordinator.
 - Still looking for donation streams, both food stuffs and money, as well as volunteers.
2. Senator Jeff Merkeley Town Hall – A great event! He is a very approachable politician and is open to hearing our needs and ideas.
3. Gladstone School Board Meeting
 - Councilor Steve Stewart has agreed to represent the school board for the HB 4006 Rent Burdened Community task force.
4. Travel Oregon | Clackamas County Water Tourism Studio – This is a regional visioning and action group focused on tourism opportunities on the Clackamas River. The meetings will take place over the next three months and will hopefully end with a marketing and action plan.

5. Parks and Recreation Board – We discussed needs vs. wants and strategies for completing their project list.
6. Gladstone Historical Society – A push will be made to start gathering content for the next book. They will be asking for personal stories and photos. A new Arcadia book on Gladstone History, written by one of our GHS members, will be going to print soon.

Councilor Linda Neace

January 2019 - CIVIC ACTIVITIES MEETINGS

1/7/2019	NORTH CLACKAMAS CHAMBER POLICY
1/7/2019	* MEET & GREET APPLICANTS - APPLING FOR CLACKAMAS COUNTY ADMINISTRATOR POSITION
1/7/2019	MONTHLY MEETING WITH CITY ADMINISTRATOR
1/8/2019	WEEKLY KIWANIS MEETING
1/8/2019	CITY COUNCIL
1/9/2019	* CLACKAMAS COUNTY BUSINESS ALLIANCE (CCBA)
1/14/2019	* CLACKAMAS COUNTY BUSINESS ALLIANCE GOVERNMENT AFFAIRS
1/4/2019	COMMUNITY FESTIVAL MEETING
1/24/2019	CITY DAY AT THE CAPITOL
1/25/2019	GLADSTONE STRATEGIC PLANNING SESSION
1/26/2019	GLADSTONE STRATEGIC PLANNING SESSION
1/30/2019	* CLACKAMAS COUNTY TOURISM
1/30/2019	ETHICS TRAINING /GLADSTONE & ORIENTATION

- NOTES
- MET WITH APPLICANTS (5) FOCUS ON FIT FOR CC AND WORKING WITH CURRENCT COMMISSIONERS & OUR COUNTY
- CCBA/ FORUM FOR NEWLY ELECTED OFFICIALS
- CCBA GOVERNMENT AFFAIRS/ NEW COMMITTEE FORMED
- COUNTY TOURISM / FOCUS GROUP/DESTINATION SUSTAINABILITY

COUNCILOR MATT TRACY

JANUARY 2019 – CIVIC ACTIVITY DETAIL

MEETINGS - ACTIVITIES

1/2/2019	Senator Jeff Merkeley – Town Hall
1/7/2019	Metro Council Inauguration Ceremony
1/8/2019	Gladstone City Council Meeting
1/16/2019	Gladstone Center for Children and Families Anniversary Celebration
1/24/2019	City Day at the Capitol-Salem North Clackamas County Water Commission Meeting
1/25/2019	Gladstone City Council Strategic Planning Session
1/26/2019	Gladstone Strategic Planning Session

NOTES

Tami Bannick

From: Neal Reisner
Sent: Monday, February 04, 2019 4:38 PM
To: Tami Bannick
Cc: Jacque Betz
Subject: My Civic Activity

Councilor Neal Reisner

January 2019 - Civic Activity Detail

Dates - Activities

1/8/19 City Council meeting

1/25/19 Council Strategic Planning Session

1/26/19 Council Strategic Planning Session

1/28/19 Traffic Safety Meeting

COUNCILOR TRACY TODD

JANUARY 2019 – CIVIC ACTIVITY DETAIL

MEETINGS - ACTIVITIES

1/2/2019	Senator Jeff Merkley – Town Hall
1/8/2019	Swearing In & Gladstone City Council Meeting
1/16/2019	GCCF (Gladstone Center for Children and Families) 10 th Year Celebration
1/25/2019	Gladstone Strategic Planning Session
1/26/2019	Gladstone Strategic Planning Session
1/30/2019	Gladstone City Ethics Training and Volunteer Orientation

NOTES

