



22500 Salamo Road
West Linn, Oregon 97068
<http://westlinnoregon.gov>

WEST LINN CITY COUNCIL MEETING NOTES March 8, 2021

[Pre-Meeting Work Session](#)

[Call to Order \[6:00 pm/5 min\]](#)

Council Present:

Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Council Absent:

Councilor Todd Jones.

Staff Present:

City Manager Jerry Gabrielatos, City Recorder Kathy Mollusky, Finance Manager Josh Kam, IT Director Shane Boyle, and City Attorney Tim Ramis.

[Approval of Agenda \[6:05 pm/5 min\]](#)

Mayor Walters noted that Representative Prusak was unable to join the meeting tonight, but would be invited to a future Council meeting.

Council President Bill Relyea moved to approve the March 8, 2021 West Linn City Council Meeting Agenda with the following changes: Removal of Item 4a, renumbering Item 4b to 4a, and adding Item 8b Council Liaisons. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Public Comments \[6:10 pm/10 min\]](#)

[Public Comment - Marianne Beehler](#)

[Public Comment - Kathy Selvaggio](#)

CJ Koll stated he was representing the Hidden Springs Neighborhood Association. He thanked Councilor Jones for his willingness to represent West Linn on an interim basis. Referring to the January 4, 2021 City Council meeting minutes, he noted he had requested the creation of the citizen committee to review and propose changes to the City Charter to clarify ambiguous language. He understood Council had many priorities to weigh, but wanted it to push forward to avoid future chaos like that at the January 4th Council meeting, and further suggested the Charter be added to the Council Tracking Log. He understood any amendments to the Charter would need to be submitted by September 4th to be placed on the ballot for November 2nd.

Ms. Selvaggio stated she represented the West Linn Community for Police Reform and spoke to what she saw as the City's slow and inadequate response to the Michael Fesser matter. She asked for time to make corrections to the written testimony she had sent to Council before it was entered into the record. She summarized the main points, noting it had been more than a year since the community had learned of the Fesser incident. It appeared the City was dragging its feet. Quite a few concerns were raised by Captain Oddis Rollins' inadequate and sometimes incorrect responses about the internal investigation. The Community for Police Reform called upon the City to take further deliberate and immediate steps to see the matter to its logical conclusion, including commissioning a more thorough inquiry by an independent party with a broad mandate that included employee procedures and standards appropriate to a disciplinary investigation. The OIR Group readily admitted it did not do such an inquiry. She understood that Sergeant Reeves and former Police Chief Timeus had not been decertified from future police work as recommended by the Clackamas County District Attorney in their report last May, which apparently depended upon the West Linn Police Department (WLPD) making that recommendation to the Department of Public Safety Standards and Training (DPSST). The West Linn Community for Police Reform had been presenting public comments to Council for quite some time and they would appreciate a clear response on the steps the City would take, not just a thank you for the comments.

In response, Mayor Walters stated she took the issue very seriously and had been working

extremely hard for a year on the police reform and accountability issues in the middle of a pandemic and two natural disasters. She would appreciate continued collaboration with Ms. Selvaggio and to avoid finger pointing, which would benefit the community at large and help the City reach its goals.

Council President Relyea noted he had recommended the police accountability issue and further investigation be part of the discussion at the Council retreat scheduled for early April. Council had not yet discussed that possibility, so it was not guaranteed. At least two Councilors had indicated that they believed the public was owed communication regarding the scope, schedule, cost, and expectations for police accountability, as well as a better understanding of how the WLPD worked with the City Manager. He assured that Council took the issues very seriously and was working to ensure the Advisory Group members were subject matter experts. He encouraged the public's participation in the process.

Councilor Baumgardner said she wholeheartedly supported Council President Relyea's comments, and expressed thanks to all who had spent many hours of their own time to research and become more educated on the issues.

[Proclamations, Recognitions and Presentations \[6:20 pm/30 min\]](#)

~~a. Representative Rachel Prusak~~

This item was removed from the agenda.

OC-WL Rivalry Day Proclamation

[Proclamation](#)

Councilor Bialostosky read the Proclamation, declaring April 2, 2021 as Oregon City – West Linn Rivalry Day in the City of West Linn.

Women's History Month Proclamation

[Proclamation](#)

Councilor Baumgardner read the Proclamation, declaring March 2021 as Women's History Month in the City of West Linn.

Consent Agenda [6:40 pm/5 min]

Agenda Bill 2021-03-08-01: Approval of Meeting Notes for January 4, 11 and February 1, 2021

[Draft Notes Information](#)

Agenda Bill 2021-03-08-02: Approval of Hwy 43 Right-of-Way Services Agreement Amendment

[ODOT Agreement Amendment Information](#)

Council President Bill Relyea moved to approve moved to approve the Consent Agenda.
Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Business Meeting \[6:45 pm/60 min\]](#)

[Agenda Bill 2021-03-08-03: ORDINANCE 1725, RELATING TO THE AMENDMENT OF WEST LINN MUNICIPAL CODE CHAPTERS 7.450 TO 7.492 TRANSIENT LODGING TAX](#)

[ORD 1725 Information](#)

Finance Manager Kam, presented the Agenda Bill for Ordinance 1725, noting it would impose taxes on short-term rentals (STRs) in West Linn. He clarified that places such as hotels, Airbnbs, and VRBOs, where guests stayed for a period less than 30 days, would be subject to the tax. The ordinance would allow the City to collect taxes at a 4 percent rate, and a discussion was taking place to increase the amount to 6 percent, which matched the rate of several nearby cities.

Ron Moody, Merina & Company, clarified that any increase in the current transit lodging tax rate would be split 70/30 percent per statute. For example, if the rate was raised to 6 percent, 70 percent of the additional 2 percent tax would be dedicated to tourism expenses as defined in the statute, and the remaining 30 percent would be for the City's general use.

Council President Bill Relyea moved to approve first reading for Ordinance 1725 relating to the amendment of West Linn Municipal Code Chapters 7.450 to 7.492, Transient Lodging Tax, and set the matter for second reading. Councilor Rory Bialostosky seconded the motion.

Council President Relyea clarified the increase to 6 percent had been discussed in a previous work session and was, therefore, incorporated by reference into the ordinance.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

Council President Bill Relyea moved to approve second reading for Ordinance 1725 relating to the amendment of West Linn Municipal Code Chapters 7.450 to 7.492, Transient Lodging Tax, and adopt the ordinance. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Agenda Bill 2021-03-08-04: Approve Auditor Contract](#)

[Auditor Contract Information](#)

Finance Manager Kam presented the Agenda Bill for the Auditor Contract for the City's Financial Statement auditors. The City had received two responses to its request for bids and selected the proposal from Merina & Company, the City's current auditors. The bid was \$50,000 for the first year and would increase by 3 percent each successive year. City Staff also recommended Merina & Company, noting they had been a pleasure to work with over the past five years and had been especially helpful during the COVID-19 pandemic. He clarified that, in total over the course of five years, the Merina & Company bid was approximately \$53,000 lower than the Talbot, Korvola & Warwick bid.

Council President Bill Relyea moved to authorize the City Manager to execute a contract with Merina & Company, LLP, for professional audit services for FY2021-2025. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[City of West Linn Response to COVID-19 Public Health Emergency \[7:45 pm/5 min\]](#)

[Extend State of Emergency Declaration](#)

[Emergency Declaration](#)

Mayor Walters noted Council would extend the State of Emergency.

City Attorney Ramis explained that the adoption of this resolution was supported by ordinance as well as by statute, and allowed the City Manager to take all necessary steps to respond to emergencies. Such steps could include retaining help, buying materials, redirecting funds for use in the emergency, thereby making the process more efficient.

Council President Bill Relyea moved to approve extend the State of Emergency enacted at the March 19, 2020 City Council meeting and extended at the April 20th, May 18th, July 6th, September 14th, November 9th, 2020 and January 11, 2021 meetings to May 10, 2021. Councilor Rory Bialostosky seconded the motion.

Mayor and Council Reports [8:50 pm/15 min]

Mayor Walters reported a Question & Answer meeting would be held with the US Post Service on Wednesday from 6 pm to 7 pm. The public was welcome to join the virtual meeting, submit questions in advance, or ask them in the chat during the meeting.

Councilor Baumgardner noted that some community members had organized marches in March attended by residents of West Linn and other parts of the area to be held every Sunday at 2 pm to express concerns around police accountability. She heard a lot of concern and some frustration from the community regarding the results of some investigations into Michael Fesser's arrest and related matters. Both the US Attorney and the independent Portland audit reached the same conclusion that something wrong had happened, but nothing could be done about it. She understood the City had taken steps and continued to take steps that were very appreciated by a lot of people. She encouraged everyone to work together on these difficult and emotional subjects.

Mayor Walters noted accountability at DPSST was one topic of discussion and was encouraged because a new head of DPSST, Jerry Granderson, had been recently appointed by the Governor. She encouraged any concerned citizens to reach out to DPSST. She understood that the US Department of Justice (USDOJ) had a very high threshold for civil rights violations, and acknowledged the frustration felt by the citizens. She would post the Senate Bill number addressing the issue to her Facebook page. She encouraged people to reach out to the federal delegation to inform them on the importance of passing this legislation to provide more strength to hold officers accountable for civil rights violations. It was also possible to reach out to the Independent Police Review (IPR), the Portland Police Bureau, and to Council to express frustrations and ideas.

Council Liaisons

Mayor Walters noted Councilor Baumgardner had been carrying a bigger burden of Council liaison appointments while the number of Council members had been down by one. Councilor Todd Jones had been invited to be the liaison to the Utility Advisory Board (UAB) and the Economic Development Committee (EDC), and he had responded enthusiastically.

Council President Bill Relyea moved to approve the Mayor's Council Liaison appointments as discussed. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[City Manager Report \[9:05 pm/15 min\]](#)

Diversity, Equity, and Inclusion Update

City Manager Gabrielatos reported that an email had been sent to Council asking them to contact two members of The Kenley Group to share their thoughts on the DEI work. He also requested that the Department Directors answer questions about the DEI work being conducted in the City, and that those answers be shared with The Kenley Group.

Storm Recovery Update

City Manager Gabrielatos provided the storm recovery update, noting that information from Public Works Director Calvert stated the amount of debris removal was approaching 20,000 cubic yards. Six contractors and a City crew were working to clear the debris from the streets, and a tub grinder was being used to turn the debris into wood chips. The storage area at Mary S. Young Park was nearly full and a second site would be needed. Staff and contractor hours would be reduced to 40 per week due to that issue. Consideration was being given to creating another storage area at the Wilderness Park parking lot. He had mentioned to the Public Works Director, Parks and Recreation Director, and the Deputy City Manager that Council had discussed having a debrief in the near future. He had asked them to give consideration to the questions on actions to take in the next weather emergency and for the near-, mid-, and long-term events. He was also compiling questions raised about the City's tree process. He had received quite a few phone calls from residents who asked very specific questions and who stated that the City was doing a great job.

Councilor Baumgardner noted that a work party had taken place at Mary S. Young Park on Saturday where many volunteers helped clear trails while taking precautions against COVID-19.

City Manager Gabrielatos also reported that the Mayor, the Human Resources (HR) Director and he had followed up with a candidate who submitted a proposal for the Police Chief recruitment. They had asked as many questions as possible and also informed the candidate about the task at hand. The contract had not yet been finalized. Also, he has had a one-on-one meeting with two other members of the recruitment panel, Fire Chief Don Johnson and Derik Peterson, a Multnomah County Sheriff from the local chapter of the National Organization of Black Law Enforcement Executives (NOBLE), to learn their perspectives on policing in West Linn, and found the conversation informative. He had also scheduled a meeting with a member of the Police Oversight and Accountability Task Force to hear his perspective, met with one WLPD officer, and conversed with Michael Gennaco from OIR Group. He noted that policing and police reform was a part of his daily work. Finally, he had toured the Public Library to view its COVID-19 service model, which would allow pickup of materials without an appointment.

Council President Relyea noted it appeared the City had worked well with the community members on the storm cleanup. Some of the trees indicated for removal by an arborist had been removed. He asked for Council acknowledgement that the efforts would continue with a second round of cleanup and an ongoing evaluation of the trees in order to get the sidewalks

and streets to the point where they could be used again. He noted a lot of trees on private property had been extensively damaged, and the current ordinance required a permit in order to cut down trees of a certain size. He also spoke to the importance of adding such information to the City's webpage for the citizens' benefit, and to assist them in averting any liability issues from falling trees. Also, he asked if discussions had taken place with the Finance Director about whether it would be necessary to dip into the City's emergency funding to help pay for the cleanup. He understood that Clackamas County had a financial threshold that needed to be met for eligibility for County reimbursement.

City Manager Gabrielatos replied that storm-damaged trees on private property could be removed without a permit if they were deemed a hazard or were already lying on the ground. He would seek further clarification. Discussions had taken place with the finance team about how the storm cleanup would be paid for, and meetings between the finance team, Clackamas County, and FEMA had taken place regarding the issue, and discussions on the scope of work would continue. He believed the minimum threshold for reimbursement was \$1.6 million, and also believed it had been reached. He would follow up with Finance to prepare a memo for Council.

[City Attorney Report \[9:20 pm/10 min\]](#)

[Legal Tracking Log](#)

[Legal Tracking Log](#)

City Attorney Ramis stated the latest Legal Tracking Log was available in the meeting materials and online, and was a tool which showed staff's current projects. The highest priority projects were located under the red banner, projects with a lower priority were under the blue banner, yellow indicated long-term, ongoing projects, and the priorities of those under the pink banner were under reconsideration. The log was reviewed by the legal office every Monday in a municipal team meeting. He clarified the top priorities were to support Public Works in their efforts to clear the streets and to provide support for the Police Oversight and Accountability Task Force. Council would receive a report shortly on the Historic City Hall. Staff was developing a consistent format for the agreements between the City and groups, such as the Friends of Robinwood Station and the Willamette Falls Landings and Heritage Coalition; that task, when concluded, would inform other projects. He further clarified that because each property had a separate history and a separate way of management, the contracts would be distinct documents, but the attempt was to put those differences in a common format, so the subjects covered would be the same, but the handling might be slightly different. A critical concern was to ensure that if anything went wrong in the administration of those documents, the Parks Department would have the authority necessary to protect the City.

Council President Relyea stated he discussed the upcoming Council retreat with the consultants who would assist, and had shared his thoughts about police reform. He suggested City Attorney Ramis' team put together a proposal to address Ms. Selvaggio's specific questions during public testimony regarding deficiencies in the WLPD investigations and the follow-up

actions necessary. The proposal would help Council in its decision-making. He confirmed he would put his questions into an email to City Attorney Ramis.

City Attorney Ramis believed the flaws in the investigative process were correctly identified by the OIR Group as a failure of the WLPD to follow the advice of legal counsel to obtain outside investigators. He confirmed he would bring information to the USPS meeting regarding the applicable rules to be considered in their decision to eliminate a post office site. It was his intention to hold the USPS to those requirements.

[Adjourn \[9:30 pm\]](#)

Notes approved 4-12-21.



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CITY COUNCIL AGENDA

Monday, March 8, 2021

5:00 p.m. – Pre-Meeting Work Session – Webex*

6:00 p.m. – Business Meeting – Webex*

- | | |
|---|------------------|
| 1. Call to Order | [6:00 pm/5 min] |
| 2. Approval of Agenda | [6:05 pm/5 min] |
| 3. Public Comments | [6:10 pm/10 min] |
| 4. Proclamations, Recognitions and Presentations | [6:20 pm/30 min] |
| a. Representative Rachel Prusak | |
| b. Women’s History Month Proclamation | |
| 5. Consent Agenda | [6:40 pm/5 min] |
| a. <u>Agenda Bill 2021-03-08-01</u> : Approval of Meeting Notes for January 4, 11 and February 1, 2021 | |
| b. <u>Agenda Bill 2021-03-08-02</u> : Approval of Hwy 43 Right-of-Way Services Agreement Amendment | |
| 6. Business Meeting | [6:45 pm/60 min] |
| a. <u>Agenda Bill 2021-02-08-03</u> : ORDINANCE 1725, RELATING TO THE AMENDMENT OF WEST LINN MUNICIPAL CODE CHAPTERS 7.450 TO 7.492 TRANSIENT LODGING TAX | |
| b. <u>Agenda Bill 2021-02-08-03</u> : Approve Auditor Contract | |
| 7. City of West Linn Response to COVID-19 Public Health Emergency | [7:45 pm/5 min] |
| a. Extend State of Emergency Declaration | |
| 8. Mayor and Council Reports | [8:50 pm/15 min] |
| 9. City Manager Report | [9:05 pm/15 min] |
| a. Diversity, Equity, and Inclusion Update | |

- b. Storm Recovery Update
- 10. City Attorney Report [9:20 pm/10 min]
 - a. Legal Tracking Log
- 11. Adjourn [9:30 pm]

PROCLAMATION

“Oregon City - West Linn Rivalry Day”

Whereas, the Cities of Oregon City and West Linn wish to recognize the efforts of their citizens to create and maintain a positive family environment where children can learn the value of constructive competition; and

Whereas, the Cities of Oregon City and West Linn value tradition and history as essential parts of their communities; and

Whereas, Oregon City High School and West Linn High School, formerly known as Union High School, have competed valiantly in the sport of football continuously since 1921 (except during the pandemic of 2020); and

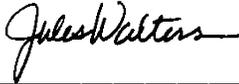
Whereas, on April 2, 2021, the teams representing these schools will renew their annual rivalry for the 100th time; and

Whereas, this is the longest continuously-played rivalry west of the Mississippi and therefore worthy of recognition; and

Whereas, the City Commission of Oregon City desires that the Pioneers again defeat the Lions and the City Council of West Linn desires that the Lions again defeat the Pioneers.

Now Therefore, we, the City Commission of Oregon City and the City Council of West Linn, hereby recognize and commend all citizens who have participated in this annual gridiron classic, and support the efforts of the current teams by proclaiming April 2, 2021, to be “Oregon City-West Linn Rivalry Day.” We further recommend, in the spirit of the day, that all citizens wear clothing of the appropriate colors, and refrain from crossing the river, unless business requires, until game time.

Rocky Smith, Commission President
City of Oregon City



The Honorable Jules Walters, Mayor
City of West Linn

April 2021

PROCLAMATION

West Linn, Oregon

WHEREAS, American women of every race, class, and ethnic background have made historic contributions to the growth and strength of our Nation in countless recorded and unrecorded ways; and

WHEREAS, American women have played and continue to play critical economic, cultural, and social role in every sphere of the life of the Nation by constituting a significant portion of the labor force working inside and outside of the home ; and

WHEREAS, American women have played a unique role throughout the history of the Nation by providing the majority of the volunteer labor force of the Nation ; and

WHEREAS, American women were particularly important in the establishment of early charitable, philanthropic, and cultural institutions in our Nation; and

WHEREAS, American women of every race, class, and ethnic background served as early leaders in the forefront of every major progressive social change movement ; and

WHEREAS, American women have served our country courageously in the military; and

WHEREAS, American women have been leaders, not only in securing their own rights of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor movement, the civil rights movement, and other movements, especially the peace movement, which create a more fair and just society for all ; and

WHEREAS, despite these contributions, the role of American women in history has been consistently overlooked and undervalued, in the literature, teaching and study of American history:

NOW, THEREFORE, BE IT PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF WEST LINN, that March 2021 is designated as

WOMEN'S HISTORY MONTH

and we urge all citizens to celebrate with appropriate programs, ceremonies, and activities that honor the history, accomplishments, and contributions of American women.

DATED THIS 8TH DAY OF MARCH, 2021

Jules Walters

JULES WALTERS, MAYOR

ATTEST:

Kathy Mollusky

KATHY MOLLUSKY, CITY RECORDER

Agenda Bill 2021-03-08-01

Date: February 25, 2021

To: Jules Walters, Mayor
Members, West Linn City Council

From: Kathy Mollusky, City Recorder *KM*

Through: Jerry Gabrielatos, City Manager JG

Subject: Draft Meeting Notes

Purpose: Approval of City Council Meeting Notes.

Question(s) for Council:

Does Council wish to approve the attached City Council Meeting Notes?

Public Hearing Required:

None required.

Background & Discussion:

The attached City Council Meeting Notes are ready for Council approval.

Budget Impact: N/A

Sustainability Impact:

Council continues to present its meeting notes online, reducing paper waste.

Council Goal/Priority:

Guiding Principle #0: Core Services of West Linn City Government. Continue to record and document the proceedings of the West Linn City Council. Guiding Principle #3: Sustainability. Incorporate environmentally sustainable practices in City activities and decision making, including reducing waste generation and energy consumption.

Council Options:

1. Approve the Council Meeting Notes.
2. Revise and approve the Council Meeting Notes.

Staff Recommendation:

Approve Council Meeting Notes.

Potential Motions:

I move to approve the Consent Agenda which includes the January 4, 11, and February 1, 2021 Council Meeting Notes.

Attachments:

1. January 4, 2021 Council Meeting Notes
2. January 11, 2021 Council Meeting Notes
3. February 1, 2021 Council Meeting Notes



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WEST LINN CITY COUNCIL MEETING NOTES January 4, 2021

[Swearing-in Ceremony \[6:00 pm/45 min\]](#)

Outgoing Mayor Axelrod thanked staff, especially IT staff, for their work during the pandemic, and introduced the seated and incoming City Council members as well as the Staff members present.

Outgoing Councilor Cummings called a point of order and moved to call the meeting to order.

Outgoing Mayor Axelrod continued introducing the seated and incoming City Council members as well as the Staff members present.

Council Present:

Mayor Jules Walters, Councilor Mary Baumgardner, Councilor Rory Bialostosky, and Councilor Bill Relyea.

Outgoing Mayor Russ Axelrod, Outgoing Council President Richard Sakelik and Outgoing Councilor Teri Cummings.

Staff Present:

Municipal Court Judge Rhett Bernstein, City Manager Jerry Gabrielatos, City Attorney Tim Ramis, IT Director Shane Boyle, and City Recorder Kathy Mollusky.

Outgoing Mayor Axelrod asked Judge Bernstein to swear-in the incoming members as was the City's practice on the first meeting of the new year.

Outgoing Councilor Cummings called for a point of order and moved to approve the proposed City Council agenda in order to discuss and amend the agenda. Outgoing Council President Sakelik seconded.

No vote was taken on this motion.

Councilor-elect Bialostosky called a point of order, stating that the Councilors making and seconding the motion were no longer Councilors as he had already taken his oath before a notary public. He asked to be recognized as a City Councilor at this time.

City Attorney Ramis noted the issues before the Council were whether to recognize a Councilor who had taken the oath as seated and who determines the agenda, both of which were ultimately a City Council decision because the Charter makes the Council the arbitrator. Finally, there was a motion and second regarding the agenda, but he was unclear what agenda was being moved.

Outgoing Councilor Cummings strenuously objected to Mayor Axelrod's decision to conduct a swearing-in ceremony before calling the meeting to order and approving the agenda, which, according to the Charter, was to be done at the beginning of each Council meeting. She insisted a vote be held first on her motion regarding her proposed amended agenda, which she read aloud despite being called out of order.

Outgoing Mayor Axelrod stated the agenda to be used was the one published and Council was not yet to Item 3 Approval of the Agenda. A ceremonial swearing-in of the Councilors was being conducted, which was ahead of the official agenda. Citing Section 17 of the City Charter, he insisted that he had the authority to establish and control the order of business at Council meetings. He clarified that Council was authorized to add or remove items from the agenda, but did not determine the order of the agenda. He reminded of the resolution Council passed on December 14, 2020 certifying the November 3rd election results and designating January 1, 2021 as the start date of the newly elected Councilors. As was the tradition in West Linn, he would proceed to have them seated as Council, which was under his authority. The agenda would be approved, and any changes made by the new Council. The motion was out of order and he would not allow or address Councilor Cummings' dilatory motion.

Outgoing Council President Sakelik noted that for the last six years, Council had conducted the swearing-in ceremony in the middle of the meeting, so Mayor Axelrod's comment that this was

how it was always done was incorrect.

A lengthy, spirited discussion followed regarding Council rules; the City Charter's requirements related to the meeting agenda, setting the order of business for Council meetings, and recognizing new City Councilors as seated; and the legality of the meeting. Both new Councilors were sworn in during the discussion. Key comments from the discussion were as noted.

Councilor Rory Bialostosky (6:15 p.m.)

Councilor Bialostosky Oath of Office

Judge Bernstein first conducted the swearing-in of Rory Bialostosky as City Councilor for the City of West Linn as Mary Baumgardner was not ready to be sworn in.

Outgoing Mayor Axelrod moved that Rory Bialostosky replace the designated position held by Councilor Cummings and in this matter, the City Recorder is instructed Ms. Cummings was no longer a Councilor and was not part of the vote. Councilor Bialostosky seconded the motion.

No vote was taken on this motion.

City Attorney Ramis reiterated the issues before the Council several times and that the interpretation of the Charter and the rules was to be done by Council, not Staff. Charter Section 12.D stated that the Council was the final judge regarding the qualifications of its members and when one became a Council member.

Outgoing Mayor Axelrod stated Councilor Bialostosky took an oath of office and having been sworn in as an official member of Council, he was replacing one of the outgoing Councilors. In order to vote, an outgoing Councilor needed to step off the panel. He emphasized he wanted to swear in the new Councilors and Mayor and then Councilors Cummings and Sakelik and himself should step away and let the new Council run the meeting. The agenda would be determined by the new Council, who could adjust it as they saw fit once sworn in.

Outgoing Council President Sakelik stated this meeting was noticed as a special meeting starting at 6 pm and it was not called to order appropriately, so the motions to potentially change an agenda were legitimate. He asked if the meeting was legal since it was noticed on website and had not been called to order.

City Attorney Ramis understood the meeting had been called to order when Mayor Axelrod had identified a quorum, and he then proceeded with the agenda, even though people disagreed with the placement of certain items. The items being debated by Council about authority over certain issues did not make the meeting illegal. The Mayor had asserted a theory under the Charter that gave him the authority to do what he was doing. The ultimate arbiter of whether the Mayor's interpretation was correct was the Council, which should be voting on whether these propositions were correct.

Councilor Mary Baumgardner (6:00 p.m.)

Councilor Baumgardner Oath of Office

Judge Bernstein conducted the swearing-in of Mary Baumgardner as City Councilor for the City of West Linn.

Outgoing Mayor Axelrod congratulated Councilors Bialostosky and Baumgardner and thanked Richard Sakelik and Teri Cummings for their service and wished them the best.

Mayor Jules Walters (6:30 p.m.)

Mayor Walters Oath of Office

Councilor Walters resigned her position on City Council effective upon assuming the position of Mayor.

Judge Bernstein conducted the swearing-in of Jules Walters as Mayor of West Linn.

Former Mayor Axelrod passed the gavel to newly elected Mayor Walters, congratulating her and the new Councilors. He said he was honored to have been able to serve his community as Mayor and recommended amendments be made to clarify the Charter's language.

Councilors Bialostosky and Baumgardner briefly introduced themselves, noting they looked forward to getting to work.

Mayor Walters thanked the community and staff for their support and thanked former Mayor Axelrod and former Councilors Cumming and Sakelik for their service.

Call to Order [6:45 pm/5 min]

This meeting was conducted via Webex due to COVID-19 and federal and state restrictions on public gatherings.

Mayor Walters called the meeting to order.

Approval of Agenda [6:50 pm/5 min]

Councilors Cummings & Relyea Proposed Agenda

Councilor Rory Bialostosky moved to approve the agenda for the January 4, 2021 Special City Council Meeting. Councilor Bill Relyea seconded the motion.

Ayes: Mayor Jules Walters, Councilor Mary Baumgardner, Councilor Rory Bialostosky, and Councilor Bill Relyea.

Nays: None.

The motion carried 4 - 0

[Public Comment \[6:55 pm/10 min\]](#)

[Public Comment - Bruce Johnson](#)

[Public Comment Sarah Silvernail](#)

[Public Comment - Sherry Palmer](#)

Drew Hanson congratulated Mayor Walters and Councilors Baumgardner and Bialostosky. He said he had more to say but would not do so because the former Councilors had left the meeting.

Jody Carson congratulated the incoming Councilors and thanked those who were leaving. She encouraged the new City Council to use a public process for an appointment to the vacancy left by Mayor Walters' resignation from her Council position. People throughout the community should be solicited to apply, and the process should allow interested applicants to be considered.

Brenda Perry congratulated the new Council and wished them the best for the next four years. She thanked the previous Mayor and Councilors for their commitment. She said the recent maneuvering on the Council had been embarrassing for the city, and she hoped the divisive behavior would end and Council would work together for West Linn. She supported Ms. Carson's suggestion for selecting names for Council positions.

Fred Groves congratulated the new Councilors and Mayor. He spoke of the trust between city government and the residents, and how important it was to rebuild that trust. He believed the language of an agreement was being used to manipulate government, which was a common tactic to preserve privilege. It was troublesome for the citizens, especially those who served on the Task Force with him and for the BIPOC friends he had in West Linn who were trying hard to build bridges with the City. He hoped the current Council would try a better way of co operating to show that West Linn could be a shining example of reform and transformation.

CJ Koll expressed his congratulations to the new Councilors and Mayor. He noted the Charter contained ambiguous language about a Councilor becoming Mayor-elect in the middle of their term. A precedent had been set by former Mayor Axelrod's 2015 election that the seat should be filled by the incoming Council. The City Attorney legal memo November 16, 2020 was not posted for reference to provide understanding of the full development of Resolution 2021-01. He was concerned that an attempt was being made to change the wording of the City Charter, but such an amendment could only be achieved through a vote by all City of West Linn residents. He urged Council to form a citizens' committee tonight to review proposed changes to the Charter to clarify the Charter's language pertaining to the issue addressed in the resolution and other potential issues with City government elections.

Jenni Tan congratulated the new Councilors and Mayor. She noted she had served on the City Council for two terms and while she did not always agree with her fellow Council members,

they always worked with civility and respect for each other. She looked forward to Council working together and putting the interest of the community first.

Thomas Frank stated he was a former Council member. The new Council had a thankless job ahead of it to represent not only the 25,000 residents of West Linn, but also to represent the city well on the state and regional level. This was an opportunity for Council to turn a new leaf to counter the negative headlines. He urged them to consider it during their goal setting. He requested that a public process be used to appoint a new Council member and to include those interested in serving as an interim City Councilor.

Terence Shumaker recommended approaching the interested candidates from the most recent election to serve on Council. The unexpired Council terms were to be filled by appointment by the remaining Council. Appointing Kim Bria, who came in third in the Council race, seemed to be the best option.

Erich Kunrath, Vice President, Bolton Neighborhood Association (BNA), recommended the new Councilors and new Mayor come to an understanding on how to run the City civilly. Important issues from BNA's standpoint were to keep the post office in West Linn, determine a way to get kids back into school safely, and to make sure safe traffic flow was seen in the Central Village area as the city continued to develop.

Karie Oakes stated it was disturbing to see the former Mayor ignore the advice of the City Attorney that the City Council was the final decision maker for all decisions before it. The agenda for the special meeting tonight was not made according to the provisions of the Charter and the Council rules. Putting the oath of office first precluded the City Council from determining the proceedings. The issues surrounding the mayoral election had led to suspicion about the integrity of the process. She called for transparency so the citizens of West Linn could be assured the Charter would be upheld by future members of the City Council. She wished the newly elected members the best.

Elizabeth Smolens congratulated the new Councilors and Mayor. She said she completely disagreed with the previous citizen's testimony and believed the divisiveness that occurred was the responsibility of the former Council. She was glad the new Council would be handling the City's business.

Councilor Bialostosky read into the record a letter from Alma Coston which discussed her concerns about previous Councilors using false pretenses regarding the vacancy left by Mayor Walters' election. No interpretation of the Council rules or Charter stated that outgoing Councilors would fill a vacancy. She supported having Kim Bria fill the vacancy because she was next in line based on the number of votes she received. No public announcement had been made of the special meeting tonight and she believed most people in West Linn had no idea what was taking place in such a non-transparent manner.

Councilor Relyea read into the record a letter from Bruce Johnson which expressed his opinion

that former Councilors Sakelik and Cummings and current Councilor Relyea had attempted to thwart the will of the citizens of West Linn by installing outgoing Councilor Sakelik in the vacancy created by Mayor Walters' election. Kim Bria was the logical choice for a replacement because she had garnered the most votes after Mr. Bialostosky.

Councilor Relyea read into the record a letter by Sara Silvernail, noting it also contained comments from former Mayor Axelrod. In summary, Mayor Axelrod discussed Council rules pertaining to special meetings and why the request by Councilors Cummings and Sakelik was based on false premises. He believed questioning the legitimacy of Mayor Walters' election was a threat to the fundamental democratic process. Ms. Silvernail's testimony expressed disgust over an improperly made request for a special meeting. Councilors Cummings', Sakelik's, and Relyea's actions concerning the election appeared to be a power grab. West Linn had spoken loudly and clearly on November 3rd and was hopeful for a positive change.

Councilor Relyea read a letter of testimony into the record by Sherry Palmer which spoke to her concerns over the demand for an unnecessary special meeting. Councilor Sakelik had come in third in the mayoral race and the will of the voters should not be circumvented. It was obvious that citywide support existed for Kim Bria. She hoped that Councilor Relyea would start fresh in January and work to represent all the residents of West Linn.

Councilor Baumgardner read into the record testimony by Kathy Selvaggio which expressed her opinions that the City Charter language on filling vacancies on Council was ambiguous. She did not support the suggestion of appointing the candidate who had received the next highest number of votes. She recommended Council consider three options: One, fill the seat temporarily by either an outgoing Council member who would not run again in May; two, fill the seat temporarily with someone who was not aligned with factions of the Council but who had enough knowledge to step into the role temporarily and agree not to run again in May; or, three, leave the Council seat empty until May which would give the new Council opportunity to practice coming to greater agreement in areas where it might be divided. She also suggested Council be expanded to seven members, partly to alleviate the risk of getting locked into narrow 3 to 2 votes. A larger number of Council members would also allow progress if a member was not able to participate for a length of time due to illness or other reasons.

[Election of Council President \[7:05 pm/5 min\]](#)

Mayor Jules Walters moved to nominate Rory Bialostosky as Council President of the West Linn City Council. Councilor Rory Bialostosky seconded the motion.

Councilor Baumgardner stated she had intended to suggest Bill Relyea as Council President because of his experience with Council.

Councilor Bialostosky noted that Councilor Relyea was a senior member of Council and said he had no problem with him being Council President.

Mayor Walters rescinded her motion.

Councilor Mary Baumgardner moved to appoint Bill Relyea as City Council President. Councilor Bill Relyea seconded the motion.

Ayes: Mayor Jules Walters, Councilor Mary Baumgardner, Councilor Rory Bialostosky, and Councilor Bill Relyea.

Nays: None.

The motion carried 4 - 0

[Declaration of Council Vacancy \[7:10 pm/15 min\]](#)

Mayor Walters noted a vacancy was created on the Council when she assumed her role as Mayor. The Charter explained how vacancies were filled, though some found the language ambiguous.

City Attorney Ramis noted the Charter required Council to declare a vacancy when one was created. After that, it was up to Council to determine the process to fill the position. It was Council's prerogative to fill the seat until an election could be held. He confirmed the Charter said a vacant position "shall" be filled, and he advised Council to do so.

Councilor Bill Relyea moved to declare a vacancy in a City Council seat. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Councilor Mary Baumgardner, Councilor Rory Bialostosky, and Councilor Bill Relyea.

Nays: None.

The motion carried 4 - 0

[Appointment of Councilor \[7:25 pm/30 min\]](#)

Councilor Bialostosky stated he was not prepared to consider filling the vacant Council seat right now and, based on the public comments received, he believed it would be prudent to open a process for receipt of applications as soon as possible.

Councilor Baumgardner agreed adding Council should discuss how long the process could take.

Councilor Bill Relyea moved to have the City open an application and letter of interest process for 15 days for those interested in filling the vacancy on the City Council, and that Council will then, as part of its agenda for the first meeting in February, make a decision on how to fill that vacancy. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Councilor Mary Baumgardner, Councilor Rory Bialostosky, and Councilor Bill Relyea.

Nays: None.

The motion carried 4 - 0

[Preview of January 11 Business Items \[7:55 pm/10 min\]](#)

[Link to January 11 Agenda](#)

Council discussed the agenda items for the January 11th Council meeting which included recognizing the Old Time Fair Ambassadors, a public hearing for the appeal of the Cornwall St Subdivision, adoption of a resolution regarding the interpretation of the City Charter, and an extension of the emergency declaration.

Cornwall Subdivision

Upon request by Council President Relyea, City Attorney Ramis updated on the Cornwall Subdivision case, noting he would take care to not go into detail as Council should not pre-decide the case or have information outside of the record. The hearing would be an appeal of the Planning Commission's solution to a road configuration that differed from staff's recommendation. He gave recommendations to the Councilors on how to prepare for the hearing and discussed how any ex parte contacts should be handled.

[Mayor and Council Reports \[8:05 pm/30 min\]](#)

[Approach for Citizen Advisory Group Appointments](#)

Mayor Walters noted several vacancies existed on Citizen Advisory Groups (CAGs). The Councilors would find applications that had been submitted for the positions in their City Dropbox for review. Interviews would be scheduled, if necessary; otherwise, Council would meet in a work session for discussion and to make appointments. She recommended beginning the appointments at Council's January 11th meeting and following through, if necessary, at a later meeting. The interview scheduled for tomorrow could be discussed by Council and then added to the next agenda.

Council President Relyea spoke to the suggestion made during public testimony to create a committee to review the City Charter, and recommended Council have a work session to discuss the topic. He suggested crafting a resign-to-run rule under the Municipal Code that would not require a change to the Charter but would allow a vacancy to be placed on the ballot, thereby providing the public with an opportunity to decide who should fill the seat. The language in the Charter stated Council "shall" appoint someone for a vacancy, but he believed the real intent of the language was to provide for times a Councilor might need to step down for unanticipated circumstances.

Mayor Walters noted West Linn was incorporated in 1913 and has had many elections that worked out fine. If the law contained an ambiguity, a determined person would find it. A

Charter would never be perfect, but she supported Councilor Relyea's suggestion to form a committee.

Councilor Bialostosky said an easy clarification would be for the Charter to state a person holds an office until the first day of the year when terms begin for newly elected officials. West Linn's Charter stated a person held an office until a successor assumed the office, which differed from the language in the charters of most nearby regional cities.

[Approach for Council Liaison Appointments](#)

Mayor Walters stated she had heard from two of the three Councilors regarding Council Liaison appointments and asked the third Councilor to get back to her so the item could be discussed at the next Council meeting.

Council President Relyea expressed an interest in maintaining his positions on the South Fork Water Board and the Planning Commission as his specialty was in land use planning and land use decisions. He requested to see the other Councilors' preferences so he could determine if he could make additional contributions in areas that had not yet been chosen.

Mayor Walters replied that she would assemble a document of the information gathered so far and would request City Manager Gabrielatos' assistance in compiling other applications for Council to consider.

[City Manager and City Attorney Reports \[8:35 pm/10 min\]](#)

City Manager Gabrielatos and City Attorney Ramis stated they would present their reports next week.

Mayor Walters said she was excited to work together with Council and thanked staff for sending refreshments to the Councilors' homes in celebration. She thanked the public for their patience during the long wait times at the meeting tonight.

[Adjourn](#)

Draft Notes



CITY OF
West Linn

22500 Salamo Road
West Linn, Oregon 97068
<http://westlinnoregon.gov>

**WEST LINN
CITY COUNCIL MEETING
NOTES
January 11, 2021**

[Pre-Meeting](#)

[Call to Order \[6:00 pm/5 min\]](#)

Council Present:

Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Staff Present:

City Manager Jerry Gabrielatos, City Recorder Kathy Mollusky, City Attorney Tim Ramis, Planning Manager Darren Wyss, and Public Works Director Lance Calvert.

[Approval of Agenda \[6:05 pm/5 min\]](#)

Council President Bill Relyea moved to modify the agenda by removing 6.a. Agenda Bill 2021-01-11-02 and Section 9.a. and b. Citizen Advisory Group and Council Liaison appointments and table them pending further discussion by the Council at a work session scheduled for January 19, 2021. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Public Comments \[6:10 pm/15 min\]](#)

[Public Comment - Ed & Roberta Schwarz](#)

Elizabeth Smolens stated she had written to Council giving input about Council goals. Her first recommendation was to continue searching for a new Chief of Police and to establish a law enforcement oversight committee. Second, Council should re-establish partnerships with City partners including the Willamette Falls Landings and Heritage Area (WFLHA) Coalition and restore the agreement for the restoration and use of old City Hill. Third, Council needed to consider the cost of legal services and a more financially responsible way to handle them. Other issues to consider were increasing the number of members on the City Council, the Waterfront project, and continuing to improve the representation of West Linn in the I-205 tolling project.

Brenda Perry stated the City Charter included some ambiguities that needed review. By attaching a resolution to the Charter, it appeared that Council was trying to circumvent the requirements and disenfranchise the citizens. She recommended taking a revised Charter to the citizens as was supposed to happen. She further suggested a committee be formed and tasked with reviewing the entire Charter. Once the committee completed the work on the Charter, they could then review and update the Imagine West Linn document. The citizens of West Linn should have a clear idea of how they wanted the city to develop over the next several decades.

Karie Oakes noted the purpose of the resolution tabled tonight was for Council to interpret the Charter regarding the unique situation of when a sitting Council member ran for Mayor, was elected, and had not vacated her seat. If this business had been completed by the last Council, the transition of the new Council last week would have been orderly. Instead, the interpretation of the Mayor stood for the installation of the officers. She did not believe the resolution should wait.

[Proclamations, Recognitions and Presentations](#)

[West Linn Ambassador Proclamations](#)

[Ambassador Proclamations](#)

[Photo](#)

Councilor Baumgardner read the Proclamation recognizing the West Linn Old Time Fair Ambassadors: 2019 Queen Avery Mickey, 2020 Queen Beatrice Gilroy, and Ambassadors Hailey Stohler, Isabella Buzzelli, and Kate McLellan.

The Councilors thanked the Ambassadors for participating and their service to the community especially during a challenging time. The Ambassadors each also shared a few words of thanks.

[Consent Agenda \[6:25 pm/5 min\]](#)

Agenda Bill 2021-01-11-01: Approval of Meeting Notes for November 9, 16, December 7 and 14, 2020

[Draft Notes Information](#)

Council President Bill Relyea moved to approve the Consent Agenda which includes the November 9, 16, December 7 and 14, 2020 meeting notes. Councilor Rory Bialostosky seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Business Meeting \[6:30 pm/60 min\]](#)

a. Agenda Bill 2021-01-11-02: RESOLUTION 2021-01, ADOPTING INTERPRETATION OF CITY CHARTER

[RES 2021-01 Information](#)

This item was removed from the agenda.

Agenda Bill 2021-01-11-03: Public Hearing: Appeal of the Planning Commission approval of a 6-lot subdivision at 4096 Cornwall Street

[4096 Cornwall Street Information](#)

[4096 Cornwall Street Testimony](#)

[GRI Peer Review Letter & Memo](#)

[Public Testimony](#)

[Applicant's Letter](#)

Mayor Walters called the quasi-judicial de novo hearing to order for AP 20-05 for the appeal of the Planning Commission's approval of SUB-20-01, a six-lot subdivision at 4096 Cornwall Street.

City Attorney Ramis read the conduct of hearing format and listed the applicable substantive approval criteria. He called for declarations from the Councilors of any conflict of interest, bias, site visits, or ex parte contact.

Council President Relyea declared he had visited the site on numerous occasions, most recently the past weekend. Also, he was a member of the Planning Commission when the matter was first heard. He confirmed he saw nothing during the site visit that was different from what was shown in the record, and believed he could judge the matter in an unbiased

manner.

Councilor Bialostosky declared that he did a site visit last week and walked the property. He confirmed nothing was substantially different during the site visit than what was seen in the record.

Councilor Baumgardner declared she had conducted a site visit over the weekend and had walked the property twice. On one occasion, a neighbor approached her and provided information on how they felt about their street. She confirmed nothing was substantially different during the site visit than what was seen in the record, and that the contact with the neighbor did not prevent her from judging the case in an unbiased way.

Mayor Walters declared that in October, she was invited to the Barrington Heights, Hidden Creek Estates, and Tanner Woods Subdivisions (BHTNA) for a mayoral campaign event where information was shared about the subject site. Afterward, she drove to the area to view it. She confirmed nothing regarding those circumstances would affect her ability to judge the case in an unbiased way.

No member of the audience challenged the jurisdiction nor the impartiality of any Councilors' ability, based on the disclosures, to hear this matter.

Planning Manager Wyss presented the staff report for the appeal of the approval of the Willow Ridge subdivision by the Planning Commission on November 4th. The decision before Council tonight would be to either uphold the Planning Commission approval by denying the appeal, amending the approval with modified conditions of approval, or overturning the approval by approving the appeal, thus denying the proposal. He described the site and the Planning Commission's processes, and noted that four items, the stormwater report, the geotechnical report, the traffic analysis, and the gated emergency access, were continued to the November 4th public hearing. It was found that the applicable criteria from Community Development Code (CDC) Chapters 11, 48, 85, and 92 were met. BHTNA submitted an appeal on November 20th. The grounds for appeal did not identify specific Code provisions but simply listed "water issues" as a reason for the appeal. A BHTNA resolution from October 22nd again identified the four issues. The Council packet included a staff report with exhibits, public comments submitted, and a groundwater peer review letter from GRI provided to Council on January 7, 2021. Today a letter was provided to Council from the applicant as well as a memo with public comments submitted last week and over the weekend. Staff reviewed the relevant Code and determined the geotechnical issues and stormwater criteria were addressed appropriately, and also believed the road connectivity criteria had been met. The gate, however, did not meet standards and should at least be removed. Staff recommended two conditions of approval: The City could partner with the applicant to construct public improvements on Cornwall St if Council chose to allocate available funds, and that the approved shared driveway/emergency access be dedicated as public right-of-way with half-street improvements.

[Presentation](#)

Council President Relyea said the record showed many community members were concerned about stormwater and landslide issues. Section 91.020 of the CDC spoke to a performance bond with improvements required, and he would like to know if the City could impose a bond requirement to cover 125 percent of the cost of the improvements that would run with the land for the warranty period. This action would be taken to assure homeowners who lived downstream of the property that if any failure occurred of any of the engineered aspects of the stormwater and other retaining systems in the development, they had a bond to rely upon for any damages their property might suffer.

Councilor Bialostosky asked about cost sharing with the applicant for potential improvements on Cornwall St and how far to the north would the improvements go if it was made into a through street. When he walked the site, he noted severe problems with Cornwall St to the north.

Planning Manager Wyss replied the improvements would make the road 20-ft wide from the connection either to the private street, or what staff was recommending to be a public street, north to Sunset Ave to accommodate two-way traffic.

In response to additional questions from Council, City Attorney Ramis said that the applicant's counsel provided a letter today to the City Council with legal arguments regarding whether the criteria were subjective. He was concerned about two provisions: CDC 85-200.A, which appeared to be a list of considerations about what the street system ought to be and was very likely to be held by the Land Use Board of Appeals (LUBA) to be subjective; and CDC 48.025.C, which had elements that were objective, but also made general reference to complying with other Code provisions and the transportation system plan (TSP), which might be subjective criteria as well. The issue about relying on the TSP and whether it had been incorporated properly under Oregon law was raised just today, and he had not consulted with staff on the status of incorporating the TSP.

Mayor Walters confirmed there were no further questions or comments from Council and called for the appellant's testimony. However, due to technical difficulties in hearing the appellant, she called instead for public testimony while the technical issues were resolved.

Public Comment

Robert Mendell noted the contents of several catch basins on the subject site drained into the bioswale which prevented pollutants from getting into the groundwater and into Tanner Creek. A maintenance agreement existed between the City and Tanner's Stonegate Owners Association, and the City's adding Willow Ridge to the bioswale was not in accordance with the maintenance agreement. If issues occurred, the City could no longer hold Tanner's Stonegate solely accountable. No mitigation plans or impact analysis to the stormwater system and Tanner's Stonegate bioswale was made with the addition of Willow Ridge. The owners' association believed the bioswale should become the City's responsibility if the Willow Ridge

subdivision was approved. He also expressed concerns about the increase in traffic shown in the report from Ard Engineering should Landis St connect through to Cornwall St, and about several safety issues on Landis St including blind spots, a narrow road, children playing, and traffic congestion. The owners' association wanted to know how traffic safety concerns would be mitigated. He suggested the alternative connection of Stonegate Lane to Sunset Ave.

Appellant

Pam Yokubaitis, Appellant, stated she spoke for the residents of BHTNA who were genuinely concerned about property damage happening again. Eight residents shared the property line with the proposed development and had for years experienced continuous erosion from water that drained from 4096 Cornwall St above. The Cornwall St property has evidence of landslides and water hazards. When the Sunset School footprint was moved, surrounding Sunset homeowners had springs pop up in their yards and water flooded their crawl spaces. Because their homeowners' insurance would not pay for groundwater flooding, irate Sunset residents were left paying out-of-pocket for damages that resulted from negligence in development planning. Landslides were often not covered by homeowners' insurance, so the two natural hazards were issues of legitimate concern regarding the proposed development. A resident in the Stonegate subdivision whose property is located only two homes away from the 4096 Cornwall property line also had to pay out-of-pocket for expensive flooding remediation. Existing and future homeowners needed guarantees that the proposed development would not cause additional flooding problems, and a risk assessment needed to be done on the 4096 Cornwall St site. The GRI report indicated shallow water on the site that appeared to be confined to flowing through the property on top of the underlying clay, and that supported the information provided in Bill House's report. Mr. House's concerns were shared by the neighbors and his findings had yet to be addressed but were included in her testimony materials. She displayed several photos and a map of the site showing the location of the properties and the springs. The residents were not trying to stop Icon from building but rather wanted the land developed so they would be without the fears and concerns they currently had. They could not afford have the water problems again and believed no one was held accountable for flooding in the past. The citizens had been left out of the conversation between Icon and the City and had been marginalized. She appreciated Icon's efforts in doing a geotechnical report that had not been available at the first hearing.

Mayor Walters confirmed there were no questions for the appellant and called for the applicant's testimony.

Applicant

Michael Robinson, Applicant's representative, Portland, OR, introduced the applicant's team and asked the City Council to reject the appeal and approve the application to include not requiring the extension of Landis St to Cornwall St. He had heard for the first time tonight that funds were available for the extension. He submitted a five-page letter to Council today and noted the needed housing and limited land use issues discussed in the letter were found in the application packet from the Planning Commission hearing. Not extending Landis St was based

on showing support for the neighbors who did not want the additional vehicle trips, even though the record showed the number of trips was well within the allowable limits according to the City Code. In addition, the extension was not required by the CDC and served no useful purpose. The application was classified as both a needed housing application and a limited land use application, and both of those had implications that guided City Council on which approval standards to apply. Additional key issues in his testimony were as follows:

- The applicant agreed with all of the Planning Commission's conditions of approval except for 2.a and 4 if the City Council chose to not extend Landis St.
- The applicant had produced several reports showing that the subdivision site could be safely developed, and all of the reports were stamped by a registered Oregon engineer or other professional.
- He understood based on the appellant's arguments that flooding had occurred in some areas, but none of them knew what had caused the flooding and it did not mean the subdivision project would cause flooding. The City-commissioned report by GRI issued earlier this month confirmed the applicant's evidence was adequate, and GRI had reviewed all of the evidence in the record, including Mr. House's comments. Mr. House, however, was a retired geologist and not a registered professional in State of Oregon.
- New Finding 44 and existing Finding 56 demonstrated the approval criteria for stormwater had been satisfied. The stormwater report followed the City's Public Works Construction Standards as required by the approval criteria.
- The applicant supported Council President Relyea's proposal for a performance bond as long as it was consistent with CDC Chapter 91 which allowed performance bond coverage of 125 percent of the amount of the improvements. However, the applicant would not agree to a bond which either ran with the land indefinitely nor one that ran in favor of the neighbors.
- The Planning Commission noted the neighbors were opposed to the extension of Landis St and part of its decision was to address that concern. The two standards cited by staff, CDC 85.200 and CDC 48.025.C and the TSP could not be applied to require the street extension. A limited land use application like this one required that plan provisions, including the TSP, be specifically incorporated into the CDC.
- The application was both a needed housing application and a residential application within an urban growth boundary (UGB), and statutes required the City to apply only clear and objective standards. CDC 85.200.A.1 and 48.02.5.C.1-3 contained subjective words and phrases that required the City Council to exercise discretion. Condition of approval 2.a. also contained subjective language regarding a funding agreement between the City and the applicant. If Council decided in favor of the street extension, the applicant would appreciate condition of approval 2.a. and would work with the City on the right agreement if the funds were available.

Council President Relyea asked for a performance bond to run with the warranty period but not necessarily with the land because it would impose a measure too difficult for the developer to achieve. He would be more assured if covenants, conditions, and restrictions (CC&Rs) would be attached to the title to require homeowners to maintain the rain gardens on their

properties.

Mr. Robinson replied that if a condition of approval required maintenance by the property owners the City could enforce compliance, but the property owners would not have the lawful ability to remove the rain gardens. The applicant would do whatever required according to Chapter 91 regarding a performance bond, and he would be open to discussing the language with the City Attorney.

Darren Gusdorf, General Manager, Icon Construction, explained in response to Council President Relyea's mention of a performance bond that the subdivision would have CC&Rs and within those would be language stating the homeowners needed to maintain the rain gardens. The maintenance agreements were signed and recorded, ran with the land, and could not be terminated. The City was responsible for inspection and enforcements. He confirmed the City received copies of the CC&Rs as they were recorded with the plat.

Councilor Bialostosky asked for background on why the gate was being proposed, as staff had indicated that a gate might not be allowable in this circumstance.

Mr. Gustorf responded that based on feedback the applicant had received, members of the community did not want the street connection. The City required connectivity for emergency reasons, so the applicant made sure firetrucks and ambulances had the ability to remove the bollards or use a gate to access the site; that recommendation received a lot of neighborhood support.

Mike Ard, Transportation Engineer, clarified that CDC 48.030 applied to public accessways and the Planning Commission had determined that the access to the homes was not through the gate. Public access was available via the existing streets to each side of the neighborhood and the streets essentially terminated at the gate; however, because the streets were not serving as accessways to the residential development, that Code might not be applicable. Similarly, CDC 85.200.B.2. spoke to block lengths and contained the phrase, "...unless topographical conditions or the layout of adjacent streets justifies a variation." In that case, the Planning Commission determined that because of the layout of the adjacent streets, and especially due to the narrowness of Cornwall St, a deviation was justified. He suggested making a change in the conditions regarding Cornwall St because funding had not been offered or identified for widening it when the application was in front of the Planning Commission. Detailed analysis had been provided of the traffic with and without the connection and the volumes of traffic would be supportable so, a determination could be made that the streets were adequate and no constraint existed to prevent that connection. However, the neighborhood had argued very stringently against it.

Mr. Robinson noted the two applicable Code sections used the word "gate," and he understood why a City might want to prohibit a gate, but the applicant was proposing bollards which functioned differently than gates and allowed the access discussed, whereas a gate would be far less accessible.

Mr. Ard stated the Code implied to him a gated community where circulation would be privatized, and that a gate would not be allowed if it was used to access more than one home. In this case, all of the driveways would be publicly available to all traffic.

Councilor Baumgardner stated that after reading and hearing extensive testimony and visiting the site, she was not completely comfortable with the stormwater issue and the water issue in general. Her experience in being downhill from construction was that water could do unexpected things.

Mr. Robinson responded that the applicant was not insensitive to the neighbors' concerns which were why the Planning Commission required them to provide two studies. The studies demonstrated that with the correct construction there should not be a downhill water problem. The applicant had shown substantial evidence by registered Oregon professionals, explained how the standards could be met, and had identified the hazards or problems that needed mitigation. The record demonstrated they should be able to construct the subdivision without damaging anyone's property as shown by the stamped documents. The City engineering staff had reviewed the documents and had agreed.

Public Comment

Pam Yokubaitis stated the connection between Cornwall St and Landis St had been repeatedly and vehemently objected to by the surrounding property owners. She was skeptical that a stub-out on Cornwall St would not eventually lead to a connection with Landis St. Multiple traffic concerns were cited in prior testimony from Ed Turkisher and herself, and the applicant's report from Ard Engineering in Item 9 stated that the TSP considered the extension a low priority. In her written testimony, a photograph of a car traveling on Landis St with parked cars on either side showed how exceptionally narrow the road was. Multiple safety issues existed. A stub-out already existed in front of Landis St next to Stonegate Lane that was intended to connect to Landis St on the other side of the farmer's property, so no reason existed for another connection on Cornwall St to Landis St through the Willow Ridge subdivision. That street connection would provide a faster more efficient travel than a Cornwall St/Landis St connection which the Ard report stated in multiple ways was not the best choice and would provide a long, circuitous route.

Edward Turkisher stated he was speaking for the residents in the eight homes on Sunset Ave. He had walked the subject property numerous times and knew where the springs were located. Addressing the traffic concerns, he noted Landis St was sub-Code and so narrow two cars could not pass, and Cornwall St was closer to 12 ft wide at the end rather than 15 ft wide. At the November 4th it was agreed that a street connection would not be made between Cornwall St and Landis St, but now funds were available from the City to improve Cornwall St. However, widening the street to 20 ft would still not make it Code-compliant. Cornwall St was built in the 1940s as a dirt road and, in subsequent years, it was covered in gravel and a 2-inch overlay which had failed multiple times due to the breaking of the old, substandard water line.

Parking would not be available and the first heavy vehicle travelling on Cornwall St would crush the waterline exacerbating the leaking water. The street would have to be entirely dug up and new water and sewer installed for an effective repair. Unfortunately, that would mean four residents on Cornwall Street would lose the ability to access their homes; their front doors would open on the street and no parking would be available whatsoever. Cornwall St was never built to be a through street. The connectivity plan was not realistic and, if a gate was not legal, why was one built on Miles Dr north of Rosemont Ridge where 32 homes were located at the end of a dead end street?

William House stated he was a retired geologist with 34 years' experience looking at subsurface flow. He was not registered in the State of Oregon because he was retired. He spoke to the water flow zone and landslide risks at the Willow Ridge site, and believed Icon's procedure for identifying a perched aquifer north of the site had been inadequate. He suggested that, at a minimum, the City require Icon to fully address the risks and provide existing homeowners with some guarantee or assurance that the water flow zone did not present a flooding risk. The GRI report did not reject his interpretation of the evidence; it simply did not address its impacts post-construction. Flooding had already happened immediately adjacent to the property where the same perched water zone burst a new spring and flooded the residents' property. Mr. Robinson inferred what was going on below the ground and what causes the problems could not be known. That was not true. Subsurface investigations routinely made such determinations. It was simply a matter of whether it was believed important enough to investigate.

Karie Oakes believed the applicant had not addressed the issues and had discounted the testimony of the existing conditions from the residents. She urged Council to read the CDC 99.110 which spoke to its responsibilities to consider the information presented in testimony. If the Code's guidance was not sufficient, Council should be able to address the issues through approval criteria.

- The applicant had submitted a tentative plan and an alternative plan which had been confusing for the Planning Commission as well as for herself and other residents who said it took a lot of additional time to review. Also, it was not a good precedent to set. The application was deemed complete even though the applicant had filed an old geotechnical report which forced the Planning Commission to continue the hearing.
- The applicant had extended the 120-day land use clock but did not include time enough for the appeal, and the hearing on the road extension tonight was happening outside of the public process.
- Tonight it was learned a letter from Mr. Robinson and other materials were now available which constituted evidence that should have been made available to the appellant and the public. The appellant should also have the final rebuttal.
- She would like confirmation of any communications between Council and staff before the hearing and she believed a continuation should be granted for the hearing tonight.

City Attorney Ramis clarified that conversations with staff could be disclosed now. Regarding the process and timing, the applicant was allowed to have the final rebuttal because they had the burden of proof.

Mayor Walters declared she had a conversation this afternoon with Planning Manager Wyss and City Manager Gabrielatos who directed her and Planning Manager Wyss to go through some minor points regarding the process tonight.

Councilor Bialostosky said he had a conversation with Planning Manager Wyss last week to review questions he had with the staff report.

Councilor Baumgardner declared she had spoken to Planning Manager Wyss last week about the staff report and the general process. Also, she spoke to Public Works Director Calvert today to learn more about the alternatives for the street. She asked for the date of the most recent geotechnical report.

Mr. Robinson replied the GRI report on Page 2 referenced the October 23, 2020 geotechnical report by GeoPacific. The GRI report was peer-reviewed and not purely a report in the sense of doing its own investigation.

Applicant's Rebuttal

Mr. Robinson noted that if Council did not require the public street connection to Landis St, the applicant could not convert it into a connection nor could vehicular traffic use it, other than emergency vehicles. He agreed that Cornwall St was substandard and, while the team appreciated staff working with Council to find out if funds were available, he believed that no one knew what had to happen on that street or how much funding would be required.

- Regarding Mr. House's testimony, he stated the shallow water issue was addressed both by the applicant's evidence and the GRI peer review. Mr. House had stated the GRI report did not address his testimony, but Mr. Robinson believed they had considered his document but did not require anything more. Mr. House also said the applicant inferred that they did not know what caused the flooding, but what was actually said was that the testimony by Ms. Yokubaitis did not explain what caused the flooding. The applicant understood flooding had occurred, but had not heard specific evidence about what caused it and how that was linked to the development of the applicant's property where substantial evidence demonstrated the development would occur consistent with the City standards for both stormwater and geotechnical requirements.
- Ms. Oakes talked about CDC 99.110.A and B.2. The first required the application consider evidence that showed the standards were met. The Planning Commission chose to believe the evidence presented by the applicant and he urged the City Council to do the same. The applicant had relied on registered professionals who were putting their careers and reputations on the line to state they were providing accurate information. The applicant agreed that everything said tonight to Council should be considered, but Council would have to determine which evidence to believe. The

applicant believed their more voluminous information and credible evidence demonstrated that geotechnical and stormwater issues had been satisfied.

- Ms. Oakes criticized the staff for accepting, and the applicant for submitting, two plans and stated it was not the usual process. He believed that was true, but what was relevant was that it was not prohibited by the Code, and discussions took place with staff that were part of the record before the plan was submitted.
- Regarding the extension of the 120-day clock, he noted it had been extended through Friday, January 15th to allow the City Council to make a final decision within that period. Nothing in state law required that such an extension be done in a public hearing. An email was submitted to staff by the applicant which should be part of the record explaining that they had extended the clock to January 15th.
- The Code stated a continuance could be granted if the request was made prior to the conclusion of the initial evidentiary hearing which, in this case, was the first Planning Commission hearing. If Council granted the request, the applicant was not required to extend the clock and, while they wanted to be respectful of the public and of the City Council, he did not believe the applicant would extend the clock again.

Appellant's Rebuttal

Ms. Yokubaitis stated citizens were not expected to know the Code. She had fought that battle in the Committee for Citizen Involvement (CCI) and made it clear that the residents would not know all the rules. Admittedly, it was necessary to adhere to the Code, but the citizens relied on the City to help. Residents had to write copious amounts of testimony because they did not have a voice until they got before the Planning Commission. A neighborhood association meeting was only held when a new development was proposed, and a lot of changes had happened in the time between the meeting and testimony. The City's process did not allow the residents to be kept apprised of changes. Her written testimony contained details that showed problems, and she expected staff to do the research on what Code applied to the reasons provided. CC&Rs could regulate the care of rain gardens, but negligence could cause them to die and she asked who would monitor and enforce the regulations when that happened. Finally, she believed Mr. House was being marginalized and unless each of his questions was addressed, none of the neighbors in the BHTNA would be satisfied.

Applicant's Final Rebuttal

Mr. Robinson stated that the development would have CC&Rs and he would make sure the City received a recorded copy. The applicant had agreements that required the rain gardens be maintained. If a resident did not comply with CC&Rs, which were legal documents, the resident could be taken to court. The City also had enforcement authority.

- The intention of approval criteria was to protect the neighbors and the applicant and for everyone to know what was required of them. The applicant had the burden of proof, but might not be able to answer every question, so they were required to satisfy the approval criteria.

- The applicant team appreciated Mr. House's participation, but the documents stamped and submitted by professionals were what a reviewing body would consider in a City decision.
- Regarding geotechnical and stormwater issues, he noted the staff report stated on Page 5 that stormwater would be improved by the water quality planters prior to being sent to the stormwater system. The same set of findings showed the applicant's approach to managed stormwater was compliant with the City of West Linn Public Works Construction Standards, and a stormwater report by the Engineering Department also assured the stormwater plan was done correctly. The GRI report stated the stormwater disposal plan would not have an adverse effect on slope stability. The GeoPacific analysis provided geotechnical recommendations to address the shallow groundwater that might be encountered during construction. Finally, it referenced the October 28, 2020 memorandum by RNSA that concluded that while shallow groundwater was present on the site, it appeared to be confined to flowing to the property on top of the underlying, clay-rich weathered basalt. No springs were seen on the property during the site work. GRI recommended that the City request the applicant and their geotechnical engineer to review and comment on the need for a sub-drainage trench or other drainage improvement feature in the northern part of the property as noted in the RNSA report. The applicant had agreed to that, and he noted it was another check and balance to assure that stormwater and geotechnical features were created correctly.
- Testimony showed extending Landis St was unwanted except by City staff, and the extension was supported legally. Emergency vehicles would be able to reach Cornwall St because of the design of the private street, and pedestrians and bicyclists would be able to make the connection also.

Council President Relyea inquired about keeping the record open long enough for City Attorney Ramis and Mr. Robinson to have a conversation regarding a performance bond.

Mr. Robinson replied he did not have the applicant's permission to extend the 120-clock. The applicant team would fully comply with the requirements from CDC Chapter 91 for an improvement guarantee. Beyond that, more discussion would be necessary, which the applicant team was willing to do tonight. If the bond was intended to cover the period for which the project was under construction as well as a warranty period, the Code required the project had to have the final plat submitted within three years, which meant the improvements would have to be done prior to that. He had never heard of a 10-year bond and was not sure the applicant could get one, but he believed they would be willing to have a bond in place while they were constructing the public improvements and to have an appropriate warranty period thereafter which was typically a year.

City Attorney Ramis confirmed he had not been successful at getting bonding companies to extend for long periods of time. He believed it would be difficult to get a 10-year bond requirement satisfied. Even a four-year period could be a challenge and he could not

guarantee it would be obtained. He would call some bonding companies for confirmation.

Planning Manager Wyss stated he wanted to make sure Council knew that part of an approval was a requirement to upgrade the waterline in Cornwall St. It would be removed and replaced and the backfill and compaction would be required to meet current standards. Regarding funding for such improvements unexpectedly appearing, he understood funding had always been available; it was a matter of Council allocating it. Public Works Director Calvert was on the call and could provide more details about funding.

- Staff had accepted the application with two plans and deemed it complete. The Code had been reviewed with the City Attorney since then and it was determined that the Code would not allow the submittal of two subdivision plans in the future.

Council President Relyea said he planned on introducing as a condition of approval that the engineered solutions in the application be incorporated into the CC&Rs and submitted to the City with the plat. He wanted the record to reflect that the City, upon receipt of the CC&Rs, recognized its responsibility to the community to enforce those provisions. He asked for Council's commitment to the community that it would help maintain the rain gardens and other provisions so the neighbors downstream of the property were assured the City was doing its part if it decided to deny the appeal.

Planning Manager Wyss confirmed the City had identified a schedule for inspecting the rain gardens.

Director Calvert confirmed the City's rain garden maintenance was covered through a document recorded with the property so that a future property owner knew about their responsibilities. It was also covered in the nuisance section of the Municipal Code for enforcement. Often the City would hear about damage or other issues after the fact because it did not require permits for landscaping on private property. Those wanting to report an impact on their property from a stormwater system problem could contact the Parks Department through the dispatch non-emergency number 24 hours a day, and the City also had the ability to act immediately on emergencies, including on private property if necessary. Some of the testimony he heard tonight was new to him and he urged people to contact staff for any drainage issue or concern.

- Included in the biennial budget were funds for improvements to partner with the developer on this project. It was likely the total cost of the improvements would exceed \$100,000 which would require the City to bring the expense to Council for approval. Those wanting to know if the City was committed to making the improvements would receive that answer from Council and not from staff because Council had the authority over those levels of expenditures.

Mayor Walters closed the public hearing.

Council President Relyea referred to the appellant's comments regarding issues with the CCI and noted that, as long as he had been on Council, a goal unanimously agreed upon was to address the land use planning process to allow for greater citizen involvement, but it had not received follow-up. He hoped Council would consider the matter during its goal session and work closely with Director Calvert, Planning Department staff, and the CCI group to incorporate greater citizen involvement in the entire process for development plans that impacted the community. Council had heard for many years that community members felt left out and did not have the opportunity to comment until an application reached the Planning Commission level. Council had asked in its goal-setting sessions for an opportunity for community members to consider and comment on an application before the Council released the plans for construction.

Councilor Bialostosky stated he had come into the hearing believing the Code required a connection of Landis St and Cornwall St, but during the powerful testimony by citizens and the argument from Mr. Robinson about the Code being clear and objective, his opinion now was that the Code could not be interpreted that way. He was in support of the proposal to not connect the street at this time. He appreciated the perspective the public brought to the hearing.

Councilor Baumgardner thanked everyone for being civil and professional during this long process. She heard the emotion in the public testimony and she knew that whatever decision was made, the City was listening and everyone could work together to make sure there were no bad outcomes which was in the builder's interest as well.

Council President Bill Relyea moved to deny the appeal with two conditions of approval: First, the applicant's attorney and the City Attorney would work together to provide a performance bond for up to four years or as close as reasonably possible; second, the engineered solutions addressing stormwater control systems shall be incorporated into the CC&Rs and submitted to the City with the plat; and the City upon receipt shall recognize its responsibility to the community to enforce the provisions thereof. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

Mayor Walters stated if anyone wished to appeal the City Council's decision, they must do so to LUBA according to its rules and any applicable provisions in the CDC.

[City of West Linn Response to COVID-19 Public Health Emergency \[7:30 pm/5 min\]](#)
[Extend State of Emergency Declaration](#)
[Emergency Declaration Information](#)

Councilor Mary Baumgardner moved to extend the State of Emergency enacted at the March 19 City Council Meeting and extended at the April 20, May 18, July 6, September 14, and November 9, 2020 meetings to March 8, 2021. Councilor Rory Bialostosky seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Diversity, Equity, and Inclusion Update \[7:35 pm/10 min\]](#)

Mayor Walters reported the Police Oversight Task Force has had its final meeting to create an oversight document.

City Manager Gabrielatos stated the Task Force was tentatively scheduled to come before Council for a debriefing and review of their final recommendations next Tuesday.

- Last week, he had sent an email to all staff informing them they would be receiving an email from The Kinley Group asking them to take a seven to 10-minute survey. A representative from The Kinley Group attended the Department Head meeting this morning and encouraged the City to make sure staff completed the survey. The more data received was better for everybody and they hoped for a 75 percent completion rate. The data would be part of the entire data package that The Kinley Group would analyze as they moved forward on the diversity, equity, and inclusion (DEI) work.
- A member of the public had contacted ODOT about an offensive street name, but a response had not yet been received. Some of the discussion Council had in the fall had discussed having The Kinley Group considering all sorts of such names and providing a recommendation.

Mayor Walters stated Council had discussed its deep concern about current events in the nation's capital as well as in the state's capital and would work on a statement to share with the community at the next Council meeting.

[Mayor and Council Reports \[7:45 pm/15 min\]](#)

a. Citizen Advisory Group Appointments

b. Council Liaison Appointments

[Interim Council Application](#)

Council reached consensus on posting the Interim Council Application.

[Goal Setting Facilitator RFP](#)

Council President Relyea proposed for the next work session to discuss the Historic City Hall and Council's letter of commitment to those involved. It would be an opportunity to work with all of the constituents and others who had worked on the project. Council owed it to them to further the discussion as quickly as possible.

Mayor Walters stated she would also like to have that discussion in Council's goal setting session and to address it in the meeting afterward. Council agreed with her recommendation.

Councilor Bialostosky stated he had some frustration with the Code not being clear and objective. He was aware City Attorney Ramis had written a memo, but it would behoove Council in the near future to begin reviewing the Code. He wanted to avoid not being able to apply the Code to the issues citizens brought to Council.

[City Manager Report \[8:00 pm/5 min\]](#)

City Manager Gabrielatos reported budget discussions were underway, adding he would keep Council apprised

[City Attorney Report \[8:05 pm/10 min\]](#)

Legal Tracking Log

[Legal Tracking Log](#)

Council decided to move this item to a future agenda.

[Adjourn \[8:15 pm\]](#)

Draft Notes



22500 Salamo Road
West Linn, Oregon 97068
<http://westlinnoregon.gov>

WEST LINN CITY COUNCIL MEETING NOTES February 1, 2021

[Call to Order \[6:00 pm/5 min\]](#)

Council Present:

Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Staff Present:

City Manager Jerry Gabrielatos, City Recorder Kathy Mollusky, Deputy City Manager John Williams, Planning Manager Darren Wyss, and City Attorney Tim Ramis.

[Approval of Agenda \[6:05 pm/5 min\]](#)

Council President Bill Relyea moved to approve the agenda as posted for Monday, February 1, 2021. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Public Comment \[6:10 pm/10 min\]](#)

[Water Environmental Services \(WES\) Presentation \[6:20 pm/20 min\]](#)

[WES Annual Report
Presentation](#)

[Legislative Update \[6:40 pm/30 min\]](#)

[Presentation](#)

[House Bill 2001/2003 Update \[7:10 pm/20 min\]](#)

[HB 2001/03 Information
Affordable Housing Information](#)

[Tax Increment Financing \(TIF\) Presentation \[7:30 pm/30 min\]](#)

[TIF Information](#)

[Business Grant Program \[8:00 pm/15 min\]](#)

[Business Grant Information](#)

[Adjourn to Special Meeting \[8:15 pm\]](#)

[Call to Order Special Meeting \[8:20 pm/5 min\]](#)

Council President Bill Relyea moved to replace Agenda Item 5 with the Business Grant Program Information and to move Adjournment to Agenda Item 6. Councilor Rory Bialostosky seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Approve Goal Setting Facilitator \[8:25 pm/5 min\]](#)

[Goal Setting Information](#)

City Manager Gabrielatos informed Council that the proposals were reviewed by Community Development Director John Williams, Assistant to the City Manager Dylan Digby, and himself. The selection of Lois D. Cohen Associates was made unanimously.

Councilor Rory Bialostosky moved to direct the City Manager to finalize a scope of work and cost with Lois D. Cohen consulting firm and authorize the City Manager to execute a contract for 2021 Goal Setting facilitation services. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Citizen Advisory Group Appointments \[8:30 pm/30 min\]](#)

Mayor Walters placed before the Council the following City Advisory Group (CAG) appointments based on the compilation of Councilor suggestions:

- Arts and Culture Commission – MJ Steele and Andrew Young
- Committee for Citizen Involvement - Lisandra Matthews
- Historic Review Board - Danny Schreiber and Tom Watton
- Library Advisory Board – Matt Brown and Jan Boyd
- Planning Commission - John Carr
- Public Safety Advisory Board - Michael Carlsen, Traciee Thomas, Austin Rufener, Charles Matthews
- Sustainability Advisory Board – Jen Harmon and Charlie Carr
- Transportation Advisory Board – Evan Garich, Christopher Groshko, and Kevin Bonnington
- Utility Advisory Board – Mona LaPierre

Council had a brief discussion to resolve the split vote on its recommendations for the Parks and Recreation Advisory Board (PRAB) and agreed on the following:

- Parks and Recreation Advisory Board – Christopher Owen, Jane Forbes, and Vicki Handy

Council President Bill Relyea moved to approve the appointment of the Citizen Advisory Group candidates as read by Mayor Walters. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

Council Liaison Appointments [9:00 pm/15 min]

Mayor Walters placed before the Council the appointment of Council President Bill Relyea as Council Liaison to the following bodies: Audit Committee, Committee for Citizen Involvement, Neighborhood Association Presidents, Planning Commission, and the South Fork Water Board.

Council President Bill Relyea moved to approve his appointment as Council Liaison to the bodies as read by Mayor Walters. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

Mayor Walters placed before the Council the appointment of Councilor Baumgardner as Council Liaison to the Arts and Culture Commission, Committee for Citizen Involvement, Economic Development Committee, Historic Review Board, Sustainability Advisory Board, Transportation Advisory Board, Utility Advisory Board, Joint Policy Advisory Committee on Transportation, Stafford Hamlet, Water Environmental Services, and the West Linn Chamber of Commerce.

Council President Bill Relyea moved to approve the appointment of Councilor Mary Baumgardner as Council Liaison to the bodies as read by Mayor Walters. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

Mayor Walters placed before the Council the appointment of Councilor Bialostosky as Council Liaison to the Audit Committee, Library Advisory Board, Public Safety Advisory Board, the Youth Advisory Council, Metropolitan Area Communications Commission, and the South Fork Water Board.

Council President Bill Relyea moved to approve the appointment of Councilor Rory Bialostosky as Council Liaison to the bodies as read by Mayor Walters. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

Mayor Walters placed herself before the Council as the appointee for Council Liaison to the Parks and Recreation Advisory Board, Clackamas County Coordinating Committee, C4 Metro, Metro Policy Advisory Committee, West Linn-Wilsonville School District, Willamette Falls Landings and Heritage Area Coalition, and the Locks Committee.

Council President Bill Relyea moved to approve the appointment of Mayor Jules Walters as Council Liaison to the bodies as read by Mayor Walters. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Approve Business Grant](#)

This item was added to the meeting agenda during the approval of the agenda.

Council President Bill Relyea moved to approve the Business Grant Program as outlined by Community Development Coordinator John Williams in today's work session. Councilor Mary Baumgardner seconded the motion.

Council decided to delegate to staff the authority to distribute the grant funds in a fair and equitable manner.

Council President Bill Relyea moved to amend his motion to approve the Business Grant Program as outlined by Community Development Coordinator John Williams in today's work session, and to give responsibility and accountability for the distribution of grant funds to City staff without Council oversight at a future meeting. Councilor Mary Baumgardner seconded the motion.

Ayes: Mayor Jules Walters, Council President Bill Relyea, Councilor Mary Baumgardner, and Councilor Rory Bialostosky.

Nays: None.

The motion carried 4 - 0

[Adjourn \[9:15 pm\]](#)

Draft Notes

Agenda Bill 2021-03-08-02

Date Prepared: 2/3/2021

For Meeting Date: 3/8/2021

To: Jules Waters, Mayor
West Linn City Council

From: Morgan Coffie, PW Management Analyst

Through: Lance Calvert, PE – Public Works Director/City Engineer
Jerry Gabrielatos – City Manager *JG*

Subject: OR-43 ODOT Right-of-Way Services Agreement Amendment

Purpose

Amendment to the existing Intergovernmental Agreement (IGA) between the City and the Oregon Department of Transportation (ODOT) for right-of-way services as required for construction of improvements to OR-43.

Question(s) for Council:

Does the City wish to continue the agreement with ODOT for right-of-way services as required to construct improvements to OR-43?

Public Hearing Required:

None required.

Background & Discussion:

The City of West Linn is coordinating with the Oregon Department of Transportation for multimodal improvements along OR-43 at the Marylhurst Drive traffic signal and between Cedar Oak Drive and Hidden Springs Road. In order to construct the planned road improvements, some right-of-way acquisition including temporary and permanent easements will be required from the adjacent private properties. The City previously entered into an IGA with ODOT for this work as the federal grant received from Metro and ODOT for the project requires ODOT to perform this work instead of being completed by the City. The IGA needs to be extended to match the current project schedule due to delays in the state and regional processing of federally grant funded projects.

This standard right-of-way IGA with ODOT is mandatory and the planned grant funded improvements cannot move forward without extending the existing agreement with ODOT for right-of-way services. The amendment will extend the agreement for an additional three (3) years.

Budget Impact:

No additional impact.

Sustainability Impact:

N/A

Council Goal/Priority:

Guiding Principal #2 Land Use and Quality of Life, Transportation Goal #10

Council Options:

1. Approve the amendment to the existing ODOT IGA to allow for the OR-43 Multimodal Improvement Project to move forward as planned.

Staff Recommendation:

Approve the amendment to the existing ODOT IGA to allow for the OR-43 Multimodal Improvement Project to move forward as planned.

Potential Motion:

1. I move to approve the amendment to the existing ODOT IGA for right-of-way services and direct the City Manager to sign the agreement.

Attachments:

1. Amendment to ODOT IGA for ROW Services along OR-43.

**AMENDMENT NUMBER 01
INTERGOVERNMENTAL AGREEMENT
FOR RIGHT OF WAY SERVICES
OR43 – Arbor Dr – Hidden Springs Road**

This is Amendment Number 1 to the Agreement between the **State of Oregon**, acting by and through its Department of Transportation, hereinafter referred to as “State,” and the **City of West Linn**, acting by and through its elected officials, hereinafter referred to as “Agency,” entered into on October 8, 2018.

It has now been determined by State and Agency that the Agreement referenced above shall be amended to extend the time of the termination date of the Agreement.

1. **Effective Date.** This Amendment shall become effective on the date it is fully executed and approved as required by applicable law.

2. **Amendment to Agreement.**

A. TERMS OF AGREEMENT, Paragraph 2, Page 2, which reads:

The work shall begin on the date all required signatures are obtained and shall be completed no later than October 17, 2021, on which date this Agreement automatically terminates unless extended by a fully executed amendment.

Shall be deleted in its entirety and replaced with the following:

The work shall begin on the date all required signatures are obtained and shall be completed no later than October 17, 2024, on which date this Agreement automatically terminates unless extended by a fully executed amendment.

3. **Counterparts.** This Amendment may be executed in two or more counterparts (by facsimile or otherwise) each of which is an original and all of which when taken together are deemed one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart.

4. **Original Agreement.** Except as expressly amended above, all other terms and conditions of the original Agreement are still in full force and effect. Agency certifies that the representations, warranties and certifications in the original Agreement are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

Agency/State
Agreement No. 32430-01

THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

City of West Linn, by and through its
elected officials

By _____

Date _____

By _____

Date _____

LEGAL REVIEW APPROVAL

By _____

Date _____

Agency Contact:

Lance Calvert, Director of Public Works
503.722.3424
lcalvert@westlinnoregon.gov

STATE OF OREGON, by and through
its Department of Transportation

By _____
State Right of Way Manager

Date _____

APPROVAL RECOMMENDED

By _____
Region 1 Right of Way Manager

Date _____

State Contact:

David Mendelson,
Right of Way Project Manager
123 NW Flanders Street
Portland, OR 97209
503.731.8451
david.mendelson@odot.state.or.us



Agenda Bill 2021-03-08-03

Date: January 6, 2021

To: Jules Walters, Mayor
Members, West Linn City Council

From: Lauren Breithaupt, Finance Director LB
John Williams, Deputy City Manager

Through: Jerry Gabrielatos, City Manager JG

Subject: Municipal Code Revisions for Chapters 7.450 – 7.492 on Transient Lodging Tax (TLT)

Purpose

The purpose of this report is to consider updating the City of West Linn's Municipal Code in regards to Transient Lodging Tax. The current municipal code does not include short-term vacation rentals, which are included in the attached changes.

Question(s) for Council:

Should the City Council approve the changes to the Municipal Code Chapters 7.450 – 7.492? What percentage TLT should be charged?

Public Hearing Required:

None

Background & Discussion:

The City hired Merina & Company, LLP (Merina) to propose changes to the Municipal Code sections in regards to Transient Lodging Tax. The City does not have any hotels or motels within City limits, however, there are a few Air B&Bs and other vacation rental properties. The City requested that Merina to propose changes consistent with other Cities that would aide in the City's ability to collect Transient Lodging Tax revenues on vacation rental properties.

Rob Moody, Partner at Merina, discussed the changes at the January 9th work session. The Council expressed interest in making the changes attached.

The Council needs to determine what percentage tax the City will charge going forward. The current code includes a four percent tax. This amount is relatively low compared to other entities. See comparators below:

- Clackamas County – 6%
- City of Wilsonville – 5%
- City of Oregon City – 6%
- City of Gladstone – 6%
- City of Lake Oswego – 6%

State law requires 70% of any increase in TLT to be dedicated to tourism. Therefore, if the City increased the TLT from 4% to 6%, 1.4% (2 * 70%) would be dedicated to tourism.

Budget Impact:

The exact budget impact depends on total vacation rentals within West Linn and the percentage tax the City decides to tax. Assuming the City continues with a four percent tax and there are 20 vacation rentals, charging \$100/night for 50 days of the year, the City would collect \$4,000 in revenue. If the TLT percentage is increased, 70% of the increase in will be required to be dedicated to tourism.

Sustainability Impact:

Not applicable.

Council Options:

1. Approve the proposed changes to the municipal code.
2. Reject the changes to the municipal code.
3. Request additional information or revisions.

Staff Recommendation:

Staff recommends the approval of the proposed changes.

Potential Motion:

Move to approve the changes to the Municipal Code Chapters 7.450 – 7.492 on Transient Lodging Tax (TLT), with a ___% Transient Lodging Tax.

Attachments:

1. Ordinance 1725, Transient Lodging Tax Municipal Code Revisions
2. Transient Lodging Tax Municipal Code Revisions – with track changes and comments

ORDINANCE NO. 1725

AN ORDINANCE RELATING TO THE AMENDMENT OF WEST LINN MUNICIPAL CODE CHAPTERS 7.450 TO 7.492 TRANSIENT LODGING TAX

Annotated to show ~~deletions~~ and additions to the code sections being modified. Deletions are ~~bold lined through~~ and additions are bold underlined.

WHEREAS, Chapter II, Section 4, of the West Linn City Charter provides:

Powers of the City. The City shall have all powers which the Constitution, statutes and common law of the United States and of this State now or hereafter expressly or implied grant or allow the City, as fully as though this Charter specifically enumerated each of those powers;

WHEREAS, the City Council held a Work Session on January 9, 2021 to discuss the Transient Lodging Tax and identified the need to update the City's Municipal Code to include short-term vacation rentals; and

WHEREAS, the City hired Merina & Company to propose changes to the Municipal Code in regards to Transient Lodging Tax.

NOW, THEREFORE, THE CITY OF WEST LINN ORDAINS AS FOLLOWS:

SECTION 1. Amendments. West Linn Municipal Code Sections 7.450 [Definitions] through 7.488 [Appeals] are amended to read as follows:

7.450 Definitions.

(9) "Rent" means the consideration charged, whether or not received by the operator, for the occupancy of space in a hotel, valued in money, goods, labor, credits, property or other consideration valued in money, without any deduction, including any consideration allocated or assigned for meals or other incidental services. Extra person, cleaning fees, charges for pets, charges for additional items of room furnishings, and other occupancy-related charges that are deemed "unavoidable" shall be considered rent.

(10) "Rent package plan" means the consideration charged for both food and rent where a single rate is made for the total of both. The amount applicable to rent for determination of transient room tax under this Code shall be the same charge made for rent when consideration is not a part of a package plan. This concept is intended to follow state law regarding services included in the fee for purposes of determining the total retail price.

7.455 Collection of Tax by Operator, Rules for Collection

(5) The City may elect to enter into an agreement with the State of Oregon Department of Revenue for collection of transient lodging tax. The Department of Revenue shall collect the local transient lodging taxes that the Department collects for the City pursuant to that agreement on a local level rather than a regional level.

7.457 Operator's Duties.

Transient lodging providers and transient lodging intermediaries that collect consideration charged for temporary human occupancy are required to collect the City's transient lodging tax and report and remit the tax to the City.

Each operator shall collect the tax imposed by this chapter at the same time as the rent is collected from every transient. The amount of tax shall be separately stated upon the operator's records and any receipt rendered by the operator. No operator of a hotel shall advertise that the tax, or any part of the tax, will be assumed or absorbed by the operator, or that it will not be added to the rent, or that, when added, any part will be refunded, except in the manner provided by this chapter.

7.460 Exemptions.

No tax under this chapter shall be imposed upon:

- (1) Any person for more than 30 successive calendar days (a person who pays for lodging on a monthly basis, irrespective of the number of days in such month, shall not be deemed a transient). **Once a person has reached 30 successive days the entire stay shall be considered tax exempt;**
- (2) **Monthly rentals as evidenced by a lease agreement indicating a clear landlord/tenant relationship;**
- (3) Any person whose rent is of a value of less than \$10.00 per day;
- ~~(4) Any person who rents a private home, vacation cabin, or like facility from any owner who personally rents such facilities incidentally to their own use thereof, except bed and breakfast homes which rent three or more rooms; Dwelling units used by the general public for less than 30 days in a calendar year. However this exemption does not apply when the dwelling unit is rented using a transient lodging intermediary platform on or after September 29, 2019;~~
- (5) Employees, officials, or agents of the U.S. government **and employees of federal instrumentalities (i.e. American Red Cross) occupying a hotel in the course of official business. On official business. Such employees must provide proof of employment and/or pay with a government-issued credit card in order to be granted exemption from TLT.**

7.462 Registration of Operator.

(1) Every person engaging or about to engage in business as ~~an operator of a hotel~~ **a lodging provider** in the City shall register with the ~~City Manager Finance Director~~ **City Manager Finance Director** on a form provided by the ~~City Manager Finance Director~~ **City Manager Finance Director**. Operators must register within 15 calendar days after commencing business. The privilege of registration after the date of imposition of such tax shall not relieve any person from the obligation of payment or collection of tax regardless of registration.

(2) Registration shall set forth the name under which an operator transacts or intends to transact business, the location of their place or places of business and such other information to facilitate the collection of the tax as the ~~City Manager Finance Director~~ **City Manager Finance Director** may require. The registration shall be signed by the operator.

(3) The ~~City Manager Finance Director~~ shall, within 10 days after registration, issue without charge a certificate of authority to each registrant to collect the tax from the occupant, together with a duplicate thereof for each additional place of business of each registrant. Certificates shall be nonassignable and nontransferable and shall be surrendered immediately to the ~~City Manager Finance Director~~ upon the cessation of business at the location named or upon its sale or transfer. Each certificate and duplicate shall state the place of business to which it is applicable and shall be prominently displayed therein so as to be seen and come to the notice readily of all occupants and persons seeking occupancy.

(4) Said certificate shall, among other things, state the following:

- (a) The name of the operator;
- (b) The address of the ~~hotel property~~;
- (c) The date upon which the certificate was issued; and
- (d) The following language:

THIS TRANSIENT OCCUPANCY REGISTRATION CERTIFICATE signifies that the person named on the face hereof has fulfilled the requirements of the TRANSIENT LODGING TAX ~~ORDINANCE CODE~~ of West Linn, Oregon, by registration with the ~~tax administrator Finance Director~~ for the purposes of collection from transients the lodgings tax imposed by said City and remitting said tax to the ~~tax administrator Finance Director~~. This certificate does not authorize any person to conduct any unlawful business or to conduct any lawful business in an unlawful manner, or to operate a ~~hotel lodging establishment~~ without strictly complying with all of the local applicable laws, including but not limited to those requiring a permit from any board, commission, department or office of the City of West Linn. This certificate does not constitute a permit.

7.465 Due Date, Returns, and Payments.

(1) The transient shall pay the tax imposed by this chapter to the operator at the time that rent is paid. All amounts of such taxes collected by any operator are due and payable to the ~~City Manager Finance Director~~ on a monthly basis on the fifteenth day of the month for the preceding month and are delinquent on the last day of the month in which they are due. If the last day of the month falls on a holiday or weekend, amounts are delinquent at the close of the first business day that follows.

(2) On or before the fifteenth day of the month following each month of collection, a return for the preceding month's tax collections shall be filed with the ~~City Manager Finance Director~~. The return shall be filed in such form as the ~~City Manager Finance Director~~ may prescribe by every operator liable for payment of tax.

(3) Returns shall show the amount of tax collected or otherwise due for the related period. The ~~City Manager Finance Director~~ may require returns to show the total rentals upon which tax was collected or otherwise due, gross receipts of the operator for such period, and an explanation in detail of any discrepancy between such amounts, and the amount of rents exempt, if any.

(4) The person required to file the return shall deliver the return, together with the remittance of the amount of tax due, to the ~~City Manager Finance Director~~ at West Linn City Hall, either by personal delivery or by mail. If the return is mailed, the postmark shall be considered the date of delivery for determining delinquencies.

(5) For good cause, the City Manager Finance Director may extend for up to one month the time for making any return or payment of tax. No further extension shall be granted, except by the City Council. Any operator to whom an extension is granted shall pay interest at the rate of one percent per month on the amount of tax due without proration for a fraction of a month. If a return is not filed and the tax and interest due are not paid by the end of the extension granted, then the interest shall become a part of the tax for computation of penalties described in Section 7.467.

(6) The operator shall be permitted to deduct as collection expense five percent of the amount of the taxes collected, ~~including~~ excluding any interest or penalties, as shown on the return mentioned in subsection (3) of this section.

7.467 Penalties and interest.

(3) Fraud. If the City Manager Finance Director determines that the nonpayment of any remittance due under this chapter is due to fraud, or intent to evade the provisions thereof, a penalty of 25 percent of the amount of the tax due shall be added thereto, in addition to the penalties stated in subsections (1) and (2) of this section.

(4) Interest. In addition to the penalties imposed, any operator who fails to remit any tax imposed by this chapter shall pay interest at the rate of ~~one half of~~ one percent per month or fraction thereof without proration for portions of a month on the amount of the tax due, exclusive of penalties, for the date on which the remittance first became delinquent until paid.

(5) Penalties and Interest Merged with Tax. Every penalty imposed and such interest as accrues under the provisions of this chapter shall be merged and become a part of the tax required to be paid.

(7) Petition for Waiver. Any operator who fails to remit the tax levied within the time stated shall pay the penalties stated. The operator may petition the City Manager Finance Director for waiver and refund of the penalty or any portion thereof, and the City Manager may, if a good and sufficient reason is shown, waive and direct a refund of the penalty or any portion thereof.

7.470 Deficiencies.

(1) If the City Manager Finance Director determines that the returns are incorrect, the City Manager Finance Director may compute and determine the amount required to be paid upon the basis of any information within the ~~City Manager's Finance Director's~~ possession, or that may come into the City Manager's Finance Director's possession. One or more deficiency determinations may be made of the amount due for one, or more than one, period, and the amount so determined shall be due and payable immediately upon service of notice as herein provided, after which the amount determined is delinquent. Penalties on deficiencies shall be applied as set forth in Section 7.467.

(2) In making a determination, the City Manager Finance Director may offset any overpayments which may have been previously made for a period or periods against any underpayment for a subsequent period or periods or against penalties and interest on the underpayments. The interest on underpayments shall be computed in the manner set forth in Section 7.467.

(3) The City Manager Finance Director shall give to the operator or occupant a written notice of the City Manager's Finance Director's determination. The notice may be served personally or by mail. If by mail, the notice shall be addressed to the operator at the operator's address as it appears on the records

of the City Manager Finance Director. In case of service by mail or any notice required by these sections, the service is complete at the time of deposit in the United States Post Office.

(4) Except in the case of fraud or intent to evade this code or authorized rules and regulations, each deficiency determination shall be made and notice mailed within three years after the last day of the month following the close of the monthly period for which the amount is proposed to be determined or within three years after return is filed, whichever period expires later.

(5) Any determination shall become due and payable upon receipt of notice and shall become final within 10 days after the City Manager Finance Director has given notice. The operator may petition for redemption and refund if the petition is filed before the determination becomes final as herein provided.

7.472 Fraud, Refusal to Collect, Evasion.

If any operator shall fail or refuse to collect the tax or to make any report and remittance of said tax or any portion thereof required by this code, or makes a fraudulent return or otherwise willfully attempts to evade this code, the City Manager Finance Director shall proceed in such manner as the City Manager Finance Director deems best to obtain facts and information upon which to base an estimate of the tax due. As soon as the City Manager Finance Director has determined the tax due that is imposed by this code from any operator who has failed or refused to collect the same and to report and remit said tax, the City Manager Finance Director shall proceed to determine and assess against such operator the tax, interest, and penalties provided by this code. In case such determination is made, the City Manager Finance Director shall give notice pursuant to Section 7.470(3) of the amount so assessed. Such determination and notice shall be made and mailed within three years after discovery by the City Manager Finance Director of any fraud, intent to evade, or failure or refusal to collect said tax, or failure to file a return. A determination shall become due and payable immediately upon receipt of notice and shall become final within 10 days after the City Manager Finance Director has given notice. The operator may, however, petition for redemption and refund if the petition is filed before the determination becomes final as herein provided.

7.475 Operator Delay.

If the City Manager Finance Director believes that the collection of any tax or any amount of tax required to be collected and paid to the City will be jeopardized by delay, or any determination will be jeopardized by delay, the City Manager Finance Director shall make a determination of the tax or amount of tax required to be collected, noting the fact upon the determination. The amount determined shall be immediately due and payable, and the operator shall immediately pay such determination to the City Manager Finance Director after service of notice. The operator may petition, after payment has been made, for redemption and refund if the petition is filed before the determination becomes final.

7.478 Redeterminations.

(2) If the petition for redetermination and refund is filed within the allowable period, the City Manager Finance Director shall reconsider the determination, and if the person has so requested in the petition, shall grant the person an oral hearing and shall give the person 10 days' notice of the time and place of the hearing. The City Manager Finance Director may continue the hearing from time to time as may be necessary.

(3) The City Manager Finance Director may decrease or increase the amount of the determination as a result of the hearing, and if an increase is determined such increase shall be payable immediately after the hearing.

(4) The order or decision of the City Manager Finance Director upon a petition for redemption or redetermination and refund becomes final 10 days after service upon the petitioner of notice, unless appeal of such order or decision is filed with the Hearing Officer pursuant to the administrative appeals process in Section 1.400 et seq.

7.480 Refunds.

(1) Refunds by City to Operator. Whenever the amount of any tax, penalty, or interest has been paid more than once or has been erroneously or illegally collected or received by the City Manager Finance Director under this chapter, it may be refunded; provided, that a verified claim in writing, stating the specific reason upon which the claim is founded, is filed with the City Manager Finance Director within three years from the date of payment. The claim shall be made on forms provided by the City Manager Finance Director. If the claim is approved by the City Manager Finance Director, the excess amount collected or paid may be refunded or may be credited on any amount then due and payable from the operator from whom it was collected or by whom paid and the balance may be refunded to such operator, or the operator's administrators, executors, or assignees.

(2) Refunds to Transient. Whenever the tax required by this chapter has been collected by the operator and deposited by the operator with the City Manager Finance Director and it is later determined that the tax was erroneously or illegally collected from the transient and received by the City Manager Finance Director, it may be refunded by the City Manager Finance Director to the transient, provided a verified claim in writing, stating the specific reason upon which the claim is founded, is filed with the City Manager Finance Director within three years from the date of payment.

(3) Refunds to Tenant. Whenever the tax required by this chapter has been collected by the operator and it is later determined that the tenant occupies the hotel for a period exceeding 30 days without interruption, the operator shall refund to such tenant the tax previously collected by the operator from the tenant as a transient. The operator shall account for such collection and refund to the City Manager Finance Director. If the operator has remitted the tax prior to refund or credit to the tenant, the operator shall be entitled to a corresponding refund under this section.

7.482 Security for Collection of Tax.

(1) The City Manager Finance Director, after delinquencies or whenever the City Manager Finance Director deems it necessary to ensure compliance with this chapter, may require any operator to deposit with the City Manager Finance Director such security in the form of cash, bond, or other security as the City Manager Finance Director may determine. The amount of the security shall be fixed by the City Manager Finance Director but shall not be greater than twice the operator's estimated average monthly liability for the period for which the operator files returns, determined in such manner as the City Manager Finance Director deems proper, or \$5,000, whichever amount is lesser. The amount of the security may be increased or decreased by the Finance Director subject to the limitations herein provided.

(2) At any time within three years after any tax or any amount of tax required to be collected becomes due and payable or at any time within three years after any determination becomes final, the City Manager Finance Director may bring an action in the courts of this state, or any other state, or of the

United States in the name of the City Manager Finance Director to collect the amount delinquent together with penalties and interest.

7.485 Administration.

(2) The City Manager Finance Director may examine or cause to be examined during normal business hours the books, papers, and accounting records relating to room sales of any operator, after notification to the operator, and may investigate or cause to be investigated the business of the operator in order to verify the accuracy of any return made, or if no return is made by the operator, to ascertain and determine the amount required to be paid.

(3) It shall be unlawful for the City Manager Finance Director or any person having an administrative or clerical duty under the provisions of this code to make known in any manner whatever any financial or business information submitted or disclosed to the City Manager Finance Director under the terms of Sections 7.450 through 7.492; provided, that nothing in this subsection shall be construed to prevent:

(a) The disclosure to, or the examination of records and equipment by, another City official, employee, or agent for collection of taxes for the sole purposes of administering or enforcing any provision of this code, or collecting taxes imposed hereunder.

(b) The disclosure, after a filing of a written request to that effect, to the taxpayer, receivers, trustees, executors, administrators, assignees, and guarantors, if directly interested, of information as to any paid tax, any unpaid tax, or amount of tax required to be collected, or interest and penalties; further provided, however, that the City Attorney approves each such disclosure and that the City Manager Finance Director may refuse to make any disclosure referred to in this subsection when in the City Manager's Finance Director's opinion the public interest would suffer thereby.

7.488 Appeals.

Any person aggrieved by a final decision of the City Manager Finance Director may appeal to the Hearings Officer pursuant to the administrative appeals process in Section 1.400 et seq.

SECTION 2. Severability. The sections, subsections, paragraphs and clauses of this ordinance are severable. The invalidity of one section, subsection, paragraph, or clause shall not affect the validity of the remaining sections, subsections, paragraphs and clauses.

SECTION 3. Savings. Notwithstanding this amendment/repeal, the City ordinances in existence at the time any criminal or civil enforcement actions were commenced, shall remain valid and in full force and effect for purposes of all cases filed or commenced during the times said ordinance(s) or portions of the ordinance were operative. This section simply clarifies the existing situation that nothing in this Ordinance affects the validity of prosecutions commenced and continued under the laws in effect at the time the matters were originally filed.

SECTION 4. Codification. Provisions of this Ordinance shall be incorporated in the City Code and the word "ordinance" may be changed to "code", "article", "section", "chapter" or another word, and the sections of this Ordinance may be renumbered, or re-lettered, provided however that any Whereas clauses and boilerplate provisions need not be codified and the City Recorder or the designee is authorized to correct any cross-references and any typographical errors.

SECTION 5. Effective Date. This ordinance shall take effect on the 30th day after its passage.

The foregoing ordinance was first read by title only in accordance with Chapter VIII, Section 33(c) of the City Charter on the 8th day of March 2021, and duly PASSED and ADOPTED this _____ day of _____, 2021.

JULES WALTERS, MAYOR

KATHY MOLLUSKY, CITY RECORDER

APPROVED AS TO FORM:

CITY ATTORNEY

DRAFT

TRANSIENT LODGING TAX

7.450 Definitions.Share

- (1) "Accrual accounting" means the operator enters the rent due from a transient on the operator's records when the rent is earned, whether or not it is paid.
- (2) "Bed and breakfast home" means overnight accommodations in a dwelling unit provided to transient guests for compensation.
- (3) "Cash accounting" means the operator does not enter the rent due from a transient on the operator's records until rent is paid.
- (4) "City Manager" means the City Manager of West Linn or the Manager's designee.
- (5) "Hotel" means any establishment primarily engaged in the provision of lodging services on a temporary basis with incidental food, drink, and other sales and services intended for the convenience of guests.
- (6) "Occupancy" means the use or possession, or the right to the use or possession, for lodging or sleeping purposes of any room or rooms in a hotel.
- (7) "Operator" means the person who is the proprietor of the hotel in any capacity. Where the operator performs operational functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this code, and shall have the same duties and liabilities as the principal. Compliance with the provisions of this code by either the principal or managing agent shall be considered to be compliance by both.
- (8) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, fraternity, sorority, public or private dormitory, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.
- (9) "Rent" means the consideration charged, whether or not received by the operator, for the occupancy of space in a hotel, valued in money, goods, labor, credits, property or other consideration valued in money, without any deduction, including any consideration allocated or assigned for meals or other incidental services.

Extra person, cleaning fees, charges for pets, ~~and~~ charges for additional items of room furnishings, and other occupancy-related charges that are deemed "unavoidable" shall be considered rent.

Rent package plan – some operators provide packages that include overnight stay in combination with food/beverage and other amenities. The City may want to provide clarity on these packages for purposes of calculating and remitting

TLT. The State also recognizes and provides clarification on package plans. Consider the following excerpted from the City of Medford Code:?

"Rent package plan" means the consideration charged for both food and rent where a single rate is made for the total of both. The amount applicable to rent for determination of transient room tax under this Code shall be the same charge made for rent when consideration is not a part of a package plan. This concept is intended to follow state law regarding services included in the fee for purposes of determining the total retail price.

Example taken from State of Oregon Administrative Rules 150-320-305

Example 1: The ABC Bed and Breakfast charges \$100 per night for a room. Guests are provided a breakfast that is included in the per-night fee. Guests may also have lunch or dinner at ABC and may charge the cost of these meals to their room. ABC will collect tax on \$100 per night because the breakfast is included in the room fee. The tax does not apply to any charges for optional meals purchased by ABC's guests.

Example 2: The High Mountain Resort offers winter lodging packages for customers. Customers can purchase a weekend package that includes two nights lodging and two ski lift tickets for a nearby ski resort for \$250. Their regular charge for weekend lodging during the winter for a two-night stay is \$200. The state lodging tax will be collected on \$200 because that represents the charge for providing lodging.

Example 3: The Highlife Hotel charges a standard room rate based on single occupancy. The Young family has two children and a dog. They rent a room for one night. The basic room rate is \$80 per night. There is a \$10 charge for a second adult. There is no charge for the children. The Youngs request a crib that costs an additional \$10. There is also a \$10 charge for the family dog. The state lodging tax applies to all of the additional fees as well as the standard room rate. The total amount subject to tax is \$110.

(10) "Tax" means either the tax payable by the transient or the aggregate amount of taxes due from an operator during the period for which the operator is required to report collections.

(11) "Transient" means any individual who exercises occupancy or is entitled to occupancy in a hotel, motel, bed and breakfast, vacation rental, Airbnb, other short-term rental, or recreational vehicle park, or tent sites for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days. The day a transient checks out ~~of a hotel~~ shall not be included in determining the 30-day period if the transient is not charged rent for that day by the operator. Any such individual so occupying space ~~in as defined a hotel~~ shall be deemed to be a transient until the period of 30 days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy, or the tenancy actually extends more than 30 consecutive days.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.452 Tax Imposed.Share

For the privilege of occupancy of any hotel in the City, each transient shall pay a tax in the amount of four percent ~~[RM1]~~ of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City, which is extinguished only by payment by the operator to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. The operator shall enter the tax on the operator's records when rent is collected if the operator keeps records on the cash accounting basis, and when earned if the operator keeps records on the accrual accounting basis. If rent is paid in installments, a proportionate share of the tax shall be paid by the transient to the

operator with each installment. The tax imposed by this chapter shall apply to all hotels located within the corporate limits of the City.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.455 Collection of Tax by Operator, Rules for Collection.Share

- (1) Every operator renting rooms in this City, the occupancy of which is not exempted under the terms of this chapter, shall collect a tax from the occupant. The tax collected or accrued by the operator constitutes a debt owed by the operator to the City.
- (2) In all cases of credit or deferred payment of rent, the payment of tax to the operator may be deferred until the rent is paid, and the operator shall not be liable for the tax until credits are paid or deferred payment is made.
- (3) For rent collected on portions of a dollar, fractions of a penny of tax shall not be remitted.
- (4) The City Manager shall enforce Sections 7.450 through 7.492 and shall have the power to adopt rules and regulations not inconsistent with Sections 7.450 through 7.492 as may be necessary to aid in the enforcement. Prior to adoption of rules and regulations, the City Manager shall give public notice of intent to adopt rules and regulations, provide copies of the proposed rules and regulations to interested parties, and conduct a public hearing on the proposed rules and regulations. Public notice shall be given when rules and regulations have been finally adopted. Copies of current rules and regulations shall be made available to the public upon request. It is a violation of Sections 7.450 through 7.492 to violate rules and regulations duly adopted by the City Manager.

(5) The City may elect to enter into an agreement with the State of Oregon Department of Revenue for collection of transient lodging tax. The Department of Revenue shall collect the local transient lodging taxes that the Department collects for the City pursuant to that agreement on a local level rather than a regional level.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.457 Operator's Duties.Share

Transient lodging providers and transient lodging intermediaries that collect consideration charged for temporary human occupancy are required to collect the City's transient lodging tax and report and remit the tax to the City.

Each operator shall collect the tax imposed by this chapter at the same time as the rent is collected from every transient. The amount of tax shall be separately stated upon the operator's records and any receipt rendered by the operator. No operator of a hotel shall advertise that the tax, or any part of the tax, will be assumed or absorbed by the operator, or that it will not be added to the rent, or that, when added, any part will be refunded, except in the manner provided by this chapter.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.460 Exemptions.Share

No tax under this chapter shall be imposed upon:

- (1) ~~(1)~~—Any person for more than 30 successive calendar days (a person who pays for lodging on a monthly basis, irrespective of the number of days in such month, shall not be deemed a transient). Once a person has reached 30 successive days the entire stay shall be considered tax exempt;^[RM2]
- (2) Monthly rentals as evidenced by a lease agreement indicating a clear landlord/tenant relationship;

~~(23)~~ Any person whose rent is of a value of less than \$10.00 per day;

~~(34) Any person who rents a private home, vacation cabin, or like facility from any owner who personally rents such facilities incidentally to his or her own use thereof.~~ Dwelling units used by the general public for less than 30 days in a calendar year. However this exemption does not apply when the dwelling unit is rented using a transient lodging intermediary platform on or after September 29, 2019. ~~{except bed and breakfast homes which rent three or more rooms;}~~^[RM3]

~~(45)~~ Any occupant whose rent is paid for a hospital room or to a medical clinic, convalescent home, or home for aged people; or

~~(56)~~ Employees, officials, or agents of the U.S. government and employees of federal instrumentalities (i.e. American Red Cross) occupying a hotel in the on course of official business. Such employees must provide proof of government employment and/or pay with a government-issued credit card in order to be granted exemption from TLT.

Non profit/donations??

~~[Added by Ordinance No. 1571 A, adopted 07 14 2008.]~~

7.462 Registration of Operator.Share

(1) Every person engaging or about to engage in business as ~~an operator of a hotel a lodging provider~~ in the City shall register with the ~~City Manager~~ Finance Director on a form provided by the ~~City Manager~~ Finance Director. Operators must register within 15 calendar days after commencing business. The privilege of registration after the date of imposition of such tax shall not relieve any person from the obligation of payment or collection of tax regardless of registration.

(2) Registration shall set forth the name under which an operator transacts or intends to transact business, the location of his or her place or places of business and such other information to facilitate the collection of the tax as the ~~City Manager~~Finance Director may require. The registration shall be signed by the operator.

(3) The ~~City Manager~~Finance Director shall, within 10 days after registration, issue without charge a certificate of authority to each registrant to collect the tax from the occupant, together with a duplicate thereof for each additional place of business of each registrant. Certificates shall be nonassignable and nontransferable and shall be surrendered immediately to the ~~City Manager~~Finance Director upon the cessation of business at the location named or upon its sale or transfer. Each certificate and duplicate shall state the place of business to which it is applicable and shall be prominently displayed therein so as to be seen and come to the notice readily of all occupants and persons seeking occupancy.

(4) Said certificate shall, among other things, state the following:

(a) The name of the operator;

(b) The address of the ~~hotel~~property;

(c) The date upon which the certificate was issued; and

(d) The following language:

THIS TRANSIENT OCCUPANCY REGISTRATION CERTIFICATE signifies that the person named on the face hereof has fulfilled the requirements of the TRANSIENT LODGING TAX ~~ORDINANCE CODE~~ of West Linn, Oregon, by registration with the ~~tax administrator~~Finance Director for the purposes of collection from transients the lodgings tax imposed by said City and remitting said tax to the ~~tax administrator~~Finance Director. This certificate does not authorize any person to conduct any unlawful business or to conduct any lawful business in an unlawful manner, or to operate a ~~hotel~~lodging establishment without strictly complying with all of the local applicable laws, including but not limited to those requiring a permit from any board, commission, department or office of the City of West Linn. This certificate does not constitute a permit.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.465 Due Date, Returns, and Payments.Share

(1) The transient shall pay the tax imposed by this chapter to the operator at the time that rent is paid. All amounts of such taxes collected by any operator are due and payable to the ~~City Manager~~Finance Director on a monthly basis on the fifteenth day of the month for the preceding month and are delinquent on the last day of the month in which they are

due. If the last day of the month falls on a holiday or weekend, amounts are delinquent at the close of the first business day that follows.

(2) On or before the fifteenth day of the month following each month of collection, a return for the preceding month's tax collections shall be filed with the [City Manager Finance Director](#). The return shall be filed in such form as the [City Manager Finance Director](#) may prescribe by every operator liable for payment of tax.

(3) Returns shall show the amount of tax collected or otherwise due for the related period. The [City Manager Finance Director](#) may require returns to show the total rentals upon which tax was collected or otherwise due, gross receipts of the operator for such period, and an explanation in detail of any discrepancy between such amounts, and the amount of rents exempt, if any.

(4) The person required to file the return shall deliver the return, together with the remittance of the amount of tax due, to the [City Manager Finance Director](#) at West Linn City Hall, either by personal delivery or by mail. If the return is mailed, the postmark shall be considered the date of delivery for determining delinquencies.

(5) For good cause, the [City Manager Finance Director](#) may extend for up to one month the time for making any return or payment of tax. No further extension shall be granted, except by the City Council. Any operator to whom an extension is granted shall pay interest at the rate of one percent per month on the amount of tax due without proration for a fraction of a month. If a return is not filed and the tax and interest due are not paid by the end of the extension granted, then the interest shall become a part of the tax for computation of penalties described in Section 7.467.

(6) The operator shall be permitted to deduct as collection expense five percent of the amount of the taxes collected, ~~including~~ excluding any interest or penalties, as shown on the return mentioned in subsection (3) of this section.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.467 Penalties and Interest. Share

(1) Original Delinquency. Any operator who has not been granted an extension of time for remittance of tax due, and who fails to remit any tax imposed by this chapter prior to delinquency, shall pay a penalty of 10 percent of the tax due in addition to the amount of the tax.

(2) Continued Delinquency. Any operator who has not been granted an extension of time for the remittance of tax due, and who failed to pay any delinquent remittance on or before a period of 30 days following the date on which the remittance first became delinquent, shall pay a second delinquency penalty of 15 percent of the amount of the tax due, plus the amount of the tax due plus the 10 percent penalty first imposed.

(3) Fraud. If the [City Manager Finance Director](#) determines that the nonpayment of any remittance due under this chapter is due to fraud, or intent to evade the provisions thereof, a penalty of 25 percent of the amount of the tax due shall be added thereto, in addition to the penalties stated in subsections (1) and (2) of this section.

(4) Interest. In addition to the penalties imposed, any operator who fails to remit any tax imposed by this chapter shall pay interest at the rate of ~~one-half of~~ one percent per month or fraction thereof without proration for portions of a month on the amount of the tax due, exclusive of penalties, for the date on which the remittance first became delinquent until paid.

(5) Penalties and Interest Merged with Tax. Every penalty imposed and such interest as accrues under the provisions of this chapter shall be merged and become a part of the tax required to be paid.

(6) Petition for Waiver. Any operator who fails to remit the tax levied within the time stated shall pay the penalties stated. The operator may petition the [City Manager Finance Director](#) for waiver and refund of the penalty or any portion thereof, and the City Manager may, if a good and sufficient reason is shown, waive and direct a refund of the penalty or any portion thereof.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.470 Deficiencies.Share

(1) If the [City Manager Finance Director](#) determines that the returns are incorrect, the [City Manager Finance Director](#) may compute and determine the amount required to be paid upon the basis of any information within the [City Manager's Finance Director's](#) possession, or that may come into the [City Manager's Finance Director's](#) possession. One or more deficiency determinations may be made of the amount due for one, or more than one, period, and the amount so determined shall be due and payable immediately upon service of notice as herein provided, after which the amount determined is delinquent. Penalties on deficiencies shall be applied as set forth in Section 7.467.

(2) In making a determination, the [City Manager Finance Director](#) may offset any overpayments which may have been previously made for a period or periods against any underpayment for a subsequent period or periods or against penalties and interest on the underpayments. The interest on underpayments shall be computed in the manner set forth in Section 7.467.

(3) The [City Manager Finance Director](#) shall give to the operator or occupant a written notice of the [City Manager's Finance Director's](#) determination. The notice may be served personally or by mail. If by mail, the notice shall be addressed to the operator at the operator's address as it appears on the records of the [City Manager Finance Director](#). In case of service by mail or any notice required by these sections, the service is complete at the time of deposit in the United States Post Office.

(4) Except in the case of fraud or intent to evade this code or authorized rules and regulations, each deficiency determination shall be made and notice mailed within three years after the last day of the month following the close of the monthly period for which the amount is proposed to be determined or within three years after return is filed, whichever period expires later.

(5) Any determination shall become due and payable upon receipt of notice and shall become final within 10 days after the [City Manager/Finance Director](#) has given notice. The operator may petition for redemption and refund if the petition is filed before the determination becomes final as herein provided.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.472 Fraud, Refusal to Collect, Evasion.Share

If any operator shall fail or refuse to collect the tax or to make any report and remittance of said tax or any portion thereof required by this code, or makes a fraudulent return or otherwise willfully attempts to evade this code, the [City Manager/Finance Director](#) shall proceed in such manner as the [City Manager/Finance Director](#) deems best to obtain facts and information upon which to base an estimate of the tax due. As soon as the [City Manager/Finance Director](#) has determined the tax due that is imposed by this code from any operator who has failed or refused to collect the same and to report and remit said tax, the [City Manager/Finance Director](#) shall proceed to determine and assess against such operator the tax, interest, and penalties provided by this code. In case such determination is made, the [City Manager/Finance Director](#) shall give notice pursuant to Section 7.470(3) of the amount so assessed. Such determination and notice shall be made and mailed within three years after discovery by the [City Manager/Finance Director](#) of any fraud, intent to evade, or failure or refusal to collect said tax, or failure to file a return. A determination shall become due and payable immediately upon receipt of notice, and shall become final within 10 days after the [City Manager/Finance Director](#) has given notice. The operator may, however, petition for redemption and refund if the petition is filed before the determination becomes final as herein provided.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.475 Operator Delay.Share

If the [City Manager/Finance Director](#) believes that the collection of any tax or any amount of tax required to be collected and paid to the City will be jeopardized by delay, or any determination will be jeopardized by delay, the [City Manager/Finance Director](#) shall make a determination of the tax or amount of tax required to be collected, noting the fact upon the determination. The amount determined shall be immediately due and payable, and the operator shall immediately pay such determination to the [City Manager/Finance Director](#) after service of notice. The operator may petition, after payment has been made, for redemption and refund if the petition is filed before the determination becomes final.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.478 Redeterminations.Share

- (1) Any person against whom a determination is made under Section 7.470, 7.472, or 7.475 or any person directly interested may petition for a redetermination and redemption and refund within the time required in these sections. If the petition for redetermination and refund is not filed within the time required by Section 7.470, 7.472, or 7.475, the determination becomes final at the expiration of the allowable time.
- (2) If the petition for redetermination and refund is filed within the allowable period, the [City Manager/Finance Director](#) shall reconsider the determination, and if the person has so requested in the petition, shall grant the person an oral hearing and shall give the person 10 days' notice of the time and place of the hearing. The [City Manager/Finance Director](#) may continue the hearing from time to time as may be necessary.
- (3) The [City Manager/Finance Director](#) may decrease or increase the amount of the determination as a result of the hearing, and if an increase is determined such increase shall be payable immediately after the hearing.
- (4) The order or decision of the [City Manager/Finance Director](#) upon a petition for redemption or redetermination and refund becomes final 10 days after service upon the petitioner of notice, unless appeal of such order or decision is filed with the [Hearings Officer](#) ^[RM4] pursuant to the administrative appeals process in Section 1.400 et seq.
- (5) No petition or appeal shall be effective for any purpose unless the operator has first complied with the payment provisions.

[Added by Ordinance No. 1571-A, adopted 07-14-2008; amended by Ordinance No. 1621, adopted 04-21-14.]

7.480 Refunds.Share

- (1) Refunds by City to Operator. Whenever the amount of any tax, penalty, or interest has been paid more than once or has been erroneously or illegally collected or received by the [City Manager/Finance Director](#) under this chapter, it may be refunded; provided, that a verified claim in writing, stating the specific reason upon which the claim is founded, is filed with the [City Manager/Finance Director](#) within three years from the date of payment. The claim shall be made on forms provided by the [City Manager/Finance Director](#). If the claim is approved by the [City Manager/Finance Director](#), the excess amount collected or paid may be refunded or may be credited on any amount then due and payable from the operator from whom it was collected or by whom paid and the balance may be refunded to such operator, or the operator's administrators, executors, or assignees.
- (2) Refunds to Transient. Whenever the tax required by this chapter has been collected by the operator and deposited by the operator with the [City Manager/Finance Director](#) and it is later determined that the tax was erroneously or illegally collected from the transient and received by the [City Manager/Finance Director](#), it may be refunded by the [City Manager/Finance Director](#) to the transient, provided a verified claim in writing, stating the specific reason upon which the claim is founded, is filed with the [City Manager/Finance Director](#) within three years from the date of payment.

(3) Refunds to Tenant. Whenever the tax required by this chapter has been collected by the operator and it is later determined that the tenant occupies the hotel for a period exceeding 30 days without interruption, the operator shall refund to such tenant the tax previously collected by the operator from the tenant as a transient. The operator shall account for such collection and refund to the [City Manager Finance Director](#). If the operator has remitted the tax prior to refund or credit to the tenant, the operator shall be entitled to a corresponding refund under this section.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.482 Security for Collection of Tax.Share

(1) The [City Manager Finance Director](#), after delinquencies or whenever the [City Manager Finance Director](#) deems it necessary to ensure compliance with this chapter, may require any operator to deposit with the [City Manager Finance Director](#) such security in the form of cash, bond, or other security as the [City Manager Finance Director](#) may determine. The amount of the security shall be fixed by the [City Manager Finance Director](#) but shall not be greater than twice the operator's estimated average monthly liability for the period for which the operator files returns, determined in such manner as the [City Manager Finance Director](#) deems proper, or \$5,000, whichever amount is lesser. The amount of the security may be increased or decreased by the [City Manager Finance Director](#) subject to the limitations herein provided.

(2) At any time within three years after any tax or any amount of tax required to be collected becomes due and payable or at any time within three years after any determination becomes final, the [City Manager](#) may bring an action in the courts of this state, or any other state, or of the United States in the name of the [City Finance Director](#) to collect the amount delinquent together with penalties and interest.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.485 Administration.Share

(1) Every operator shall keep guest records of room sales and accounting books and records of room sales. All records shall be retained by the operator for a period of three years and six months after they come into being.

(2) The [City Manager Finance Director](#) may examine [or cause to be examined](#) during normal business hours the books, papers, and accounting records relating to room sales of any operator, after notification to the operator, and may investigate [or cause to be investigated](#) the business of the operator in order to verify the accuracy of any return made, or if no return is made by the operator, to ascertain and determine the amount required to be paid.

(3) It shall be unlawful for the City Manager/Finance Director or any person having an administrative or clerical duty under the provisions of this code to make known in any manner whatever any financial or business information submitted or disclosed to the City Manager/Finance Director under the terms of Sections 7.450 through 7.492; provided, that nothing in this subsection shall be construed to prevent:

(a) The disclosure to, or the examination of records and equipment by, another City official, employee, or agent for collection of taxes for the sole purposes of administrating or enforcing any provision of this code, or collecting taxes imposed hereunder.

(b) The disclosure, after a filing of a written request to that effect, to the taxpayer, receivers, trustees, executors, administrators, assignees, and guarantors, if directly interested, of information as to any paid tax, any unpaid tax, or amount of tax required to be collected, or interest and penalties; further provided, however, that the City Attorney approves each such disclosure and that the City Manager/Finance Director may refuse to make any disclosure referred to in this subsection when in the City Manager's/Finance Director's opinion the public interest would suffer thereby.

(c) The disclosure of the names and addresses of any persons to whom transient occupancy registration certificates have been issued.

(d) The disclosure of general statistics regarding taxes collected or business done in the City.

Use of TLT funds collected?^[RM5]

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

7.488 Appeals.Share

Any person aggrieved by a final decision of the City Manager/Finance Director may appeal to the Hearings Officer ^[RM6] pursuant to the administrative appeals process in Section 1.400 et seq.

[Added by Ordinance No. 1571-A, adopted 07-14-2008; amended by Ordinance No. 1621, adopted 04-21-14.]

7.490 Violations.Share

Any operator or other person who shall fail or refuse to register as required herein, or who shall fail or refuse to furnish a return, supplemental return, or other data required herein or by the City Manager, or, with intent to defeat or evade the determination of any amount due hereunder, shall make, render, sign, or verify any false or fraudulent report, or shall otherwise violate the terms of Sections 7.450 to 7.492, commits a Class A violation. The City shall institute any necessary legal proceedings to enforce the provisions of Sections 7.450 through 7.492. These rights shall be in addition to any other remedies allowed by law.

[Added by Ordinance No. 1571-A, adopted 07-14-2008; amended by Ordinance No. 1621, adopted 04-21-14.]

7.492 Transient Lodging Tax Account.Share

- (1) There is hereby created the transient lodging tax account.

- (2) The City Manager shall place all monies received pursuant to this code in the transient lodging tax account.

- (3) The City shall budget and distribute funds from the transient lodging tax account in a manner consistent with the requirements of ORS 320.300 through 320.350.

[Added by Ordinance No. 1571-A, adopted 07-14-2008.]

Agenda Bill 2021-03-08-03

Date: March 4, 2021

To: Jules Walters, Mayor
Members, West Linn City Council

From: Lauren Breithaupt, Finance Director

Through: Jerry Gabrielatos, City Manager JG

Subject: Request Approval of 5-Year Audit Contract

Purpose

The purpose of this report is to provide Council with the Audit Committee's recommendation and to request the approval of an audit contract for the next five years, fiscal years 2021 through 2025.

Question(s) for Council:

Should the City Council approve an audit contract with Merina & Company, LLP?

Public Hearing Required:

None required.

Background & Discussion:

In February 2021, staff advertised a Request for Proposal (RFP) for audit services. Typical audit contracts run for five years. Below are the first year's fees from the two audit firms that responded. The fees for the four subsequent years escalate by approximately three percent for each firm.

- Talbot, Korvola & Warwick, LLP \$60,000
- Merina & Company, LLP \$50,000

The Audit Committee reviewed the responses on March 1, 2021, considering who best should serve as the City's auditors for the next five years. They unanimously recommended that Council approve an audit contract selecting the firm of Merina & Company, LLP as the City's auditors for the next five years, fiscal years 2021 through 2025. Currently, the City uses the audit firm of Merina & Company, LLP and are pleased with the services over the last five years.

Budget Impact:

\$50,000 for FY 2021 and escalating by approximately 3% for four years thereafter.

Council Options:

1. Elect to maintain the City's current audit firm and authorize a five year contract for audit services to Merina & Company, LLP.
2. Authorize a five year contract for audit services to Talbot, Korvola & Warwick, LLP.
3. Elect to re-solicit for Request for Proposals for audit services.

Staff Recommendation:

Finance Director recommends the Council, acting as the Contract Review Board, authorize the City Manager to execute a contract with Merina & Company, LLP for professional audit services for the next five years, fiscal years 2021 through 2025.

Potential Motion:

Move to authorize the City Manager to execute a contract with Merina & Company, LLP for professional audit services for the next five years, fiscal years 2021 through 2025.

Attachments:

1. Audit Request for Proposal
2. Auditor Proposal

CITY OF WEST LINN, OREGON

REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES



**22500 SALAMO ROAD
WEST LINN, OREGON 97068**

January 2021

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I. Background Information

a. General Information about the City

West Linn is a community where citizens, civic organizations, businesses and city government work together to ensure that the community retains its hometown identity, high quality of life and its natural beauty. The City incorporated in 1913, and today it serves a population of 25,905. It is close to the region's business core, urban amenities, and the Portland International Airport with Portland approximately twenty miles to the north. At the same time, the City provides a small-town atmosphere and distinct neighborhoods that range from the Historic Willamette District with its pioneer-era dwellings, to the contemporary architecture of newer homes.

The City is a full-service municipality that operates under a council/manager form of government. The elected City Council consists of the Mayor and four Councilors who act as the board of directors. The Council sets policies for city government, enacts ordinances and hires, directs and evaluates the city manager. In turn, the city manager is the City's chief executive officer, responsible for overall management and administration.

Municipal services are provided by City employees and headed by the city manager. The City operates its own police department, a municipal court, water, sewer and surface water utilities, street operations, planning, engineering, fleet management, library and extensive year-round park and recreation programs.

The Tualatin Valley Fire and Rescue District provides fire and emergency services to the community. The City lies within Clackamas County, which is headed by a board of commissioners and based in neighboring Oregon City. The City is also part of Metro, the tri-county urban services district based in Portland.

The City of West Linn and the City of Oregon City each have a 50 percent ownership in South Fork Water Board (SFWB), which operates both City's water supply and distribution system. SFWB is audited by another auditing firm, currently Merina & Co., and would be subject to the group auditor rules.

b. Staffing/Operations

The City Finance Department is responsible for many aspects of City operations including utility and service billing, accounts payable and disbursements, accounts receivable and cash receipts, payroll, investments, business licenses, municipal court, financial budgeting and financial reporting. Currently, the Finance Department consists of the Finance Director, Finance Manager, an Accountant, a Senior Accounting Clerk, and two Accounting Clerks II.

c. Accounting Records

The City's financial software is Incode by Tyler Technology and was successfully implemented in May 2015. The financial system uses both online real-time entry and batch

processing. The City's in-house Information Technology personnel are responsible for system security, backups and installing vendor up-grades.

d. Government Finance Officers Association (GFOA) Awards

The City of West Linn recently received the following awards from the Government Finance Officers Association (GFOA):

Budget: GFOA has awarded the *Distinguished Budget Presentation Award* to the City of West Linn for the budget document ending with the 2020-2021 Biennium Budget.

Audit: GFOA has awarded the *Certificate of Achievement for Excellence in Financial Reporting* to the City of West Linn for the fiscal year that ended June 30, 2019.

Note: The City of West Linn anticipates that it will continue to submit its Comprehensive Annual Financial Report (CAFR) to the GFOA for the *Certificate of Achievement for Excellence in Financial Reporting*. The format of audit reports must allow the City to meet the requirements of that program. This also requires that the Auditor ensure that the audit report and financial statements are completed in time for this submission.

II. General Information

a. General Description

The City of West Linn is seeking proposals for the audit of its Comprehensive Annual Financial Report (CAFR) from qualified certified public accounting firms. A complete description of services to be provided is described under Section III. The first reporting period to be audited is July 1, 2020, through June 30, 2021, extending through the next four subsequent fiscal years.

b. City Points of Contact

Questions, inquiries, or comments regarding this Request for Proposals (RFP), the City's accounting system, financial staff or financial processes shall be directed to:

Lauren Breithaupt, CPA CMA CGMA
Finance Director
lbreithaupt@westlinnoregon.gov
503-742-6032

Josh Kam, CPA
Finance Manager
jkam@westlinnoregon.gov
503-742-7509

Note: Additional information, the prior year Comprehensive Annual Financial Report, and Budget documents are accessible on the City website at <https://westlinnoregon.gov/finance>.

c. Responding to the Audit RFP

Your proposal must be received no later than February 17, 2021 at 5:00 p.m. and should be emailed to lbreithaupt@westlinnoregon.gov (in PDF or MS Word) at the West Linn City Hall, Finance Department, addressed as follows:

City of West Linn
Attn: Lauren Breithaupt, Finance Director
22500 Salamo Road
West Linn, Oregon 97068

Emailed proposals shall not be deemed received until a confirmation email sent by the City is received in reply to the submitted proposal, confirming the emailed proposal was received and the format was readable by the City.

The proposal should address, at a minimum, the information requested in Section IV, subsection (a), Minimum Content of Responses.

Any amendments to this RFP will be in writing and will be issued to all persons or businesses that have indicated an interest to receive RFP addenda or have obtained the proposal materials. The addenda will be posted on the City's website and issued by email to the address furnished to the City by those responding to this announcement. Your proposal must acknowledge receipt of all addenda issued either when you submit your proposal or separately prior to opening. No proposal will be considered that is not responsive to any issued addenda.

d. Tentative Schedule for Selection Process

| | |
|---------------------------|-------------------------------|
| Proposal Due: | February 17, 2021 (5:00 p.m.) |
| Finalist Selections: | February 18-23, 2021 |
| Audit Committee Approval: | March 1, 2021 |
| Contract Finalized: | March 9, 2021 |

Note: This is a tentative schedule and is provided as a courtesy to potential proposers. The actual schedule may vary from the one provided above without notice to potential proposers. Any changes made to the closing date of the RFP will be made in the form of an addendum and mailed to all potential proposers who have received RFP documents.

e. Proposal Evaluation

The City intends to select the most qualified certified public accounting firm that exhibits the strongest ability to provide the highest quality service, based upon the following criteria:

| | <u>Evaluation Criteria</u> | <u>Weight</u> |
|----|--|----------------------|
| 1. | Firm's understanding of the engagement and the City's needs. | 30% |
| 2. | Firm's local municipal audit expertise/experience, including references from similar engagements. | 20% |
| 3. | <u>Experience and qualifications of individuals assigned to the City's engagement including resources available for the timely completion of the audit and scheduling of work.</u> | 20% |
| 4. | <u>Cost of Services</u> | 20% |
| 5. | Adherence to specified application format | 10% |

The selection team shall be the City of West Linn's Audit Committee, comprised of two City Councilors and one citizen CPA member, with assistance provided by the City's Finance Director and Finance Manager. The selection team will review the applications and select a minimum of three proposers that meet the minimum qualifications to interview, unless the City receives less than three qualified proposals. The selection team will then select the most qualified proposal based on the evaluation criteria listed above.

g. Contract Duration

The selected certified public accounting firm shall be designated as the City's auditor for a five-year term commencing with the fiscal year ending June 30, 2021. Either party may cancel the contract effective at fiscal year-end, by written notice delivered prior to December 15th of that fiscal year. The City reserves the right to extend the contract beyond the original period, negotiating each year separately as to price and work performed.

h. Acceptance or Rejection and Negotiation of Proposals

The City reserves the right to reject any or all proposals, to waive any irregularities in the RFP, to accept or reject any item or combination of items in a proposal in accordance with ORS 279B.100 and Local Contract Review Board Rule (LCRBR) 30.125 or 30.130, to request additional information or clarifications from respondents, and to negotiate or hold interviews with any one or more of the respondents. By requesting proposals, the City is in no way obligated to award a contract or to pay expenses of the proposing firms in connections with the preparation or submission of a proposal. Furthermore, the City reserves the right to reject any and all proposals prior to execution of a contract, with no penalty to the City of West Linn, if doing so in the public interest. Any protest or objection of award must comply with LCRBR 30.135 and/or 30.140.

III. Scope of Auditor Services

a. General

The City of West Linn is requesting proposals from qualified certified public accounting firms, duly authorized to practice as such by the State of Oregon, to audit the City's CAFR commencing with the fiscal year ending June 30, 2021, and extending through the next four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this RFP.

The City of West Linn desires the auditor to express an opinion on the fair presentation of the City's basic financial statements as a whole, in conformity with generally accepted accounting principles (GAAP). The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB).

The City of West Linn has an Investment in Joint Venture with the City of Oregon City in South Fork Water Board. The investment is accounted for using the equity method. Currently, the City of West Linn and South Fork Water Board are not audited by the same firm.

The selected auditor shall submit for management's review, a draft of all reports. The final reports are subject to review by the City's Audit Committee. The selected auditor shall incorporate, as part of the basic proposal, meeting time with the finance staff and the Audit Committee for the purpose of discussing the audit, management letter, and conclusions.

b. Basic Reports to be Issued

Following the completion of the audit of the fiscal year's CAFR, the auditor shall issue the following:

- Independent Auditor's Report for the City
 - Report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, based upon the audit of the basic financial statements of the City. The other supplementary information listed in the Table of Contents of the City's CAFR, including combining schedules and additional budgetary comparison schedules, are not a required part of the basic financial statements. However, the auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules. The information presented shall be based on the auditing procedures applied during the audit of the basic financial statements.
- SAS 114 and Management Letters

- SAS 114 Letter: Report summarizing certain matters required by professional standards to be communicated to the City's Audit Committee to assist in the Committee's oversight responsibility for the City's financial reporting process.
- Management Letter: Findings, statements, observations, opinions, comments and recommendations related to:
 - The City's system of internal control based upon the auditors' understanding of the control structure and assessment of control risk.
 - The City's compliance with applicable laws and regulations.
 - The City's accounting systems, functions, procedures and processes, especially with regard to cost effectiveness.
- Audit Comments and Disclosures Required by State Regulation
 - As required by the Minimum Standards for Audits of Oregon Municipal Corporations (Oregon Administrative Rules 162-10-050 through 162-10-320).

c. Additional Reports to be Issued Dependent on Applicability

Due to the fluctuation in receipt and expenditure of federal grant funds, the need for some reports is based upon whether the City meets the audit threshold (over \$750,000 in expended grant funds) for performance of a Single Audit under OMB Circular A-133. Such reports are as follows:

- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
 - Report identifying any deficiencies in internal control over financial reporting that are considered to be significant deficiencies including control deficiencies, significant deficiencies and material weaknesses as defined by Statements on Auditing Standards No. 115.
- Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133
 - Report on compliance with requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* applicable to each of the City's major federal programs.
- Schedule of Findings and Questioned Costs
 - Report of findings and questioned costs related to the City's financial statements as well as costs and compliance for federal award programs.

d. Supplemental Reports / Studies

Reports on other audits or agreed-upon procedures may be agreed to in writing as stated in a supplemental audit agreement. Prior to beginning work, the scope of the study and associated costs shall be approved by the City.

e. Standards to be Followed

To meet the requirements of this RFP, these audits are to be performed in accordance with all applicable standards including, but not limited to, applicable standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), Government Auditing Standards (GAS), as promulgated by the Government Accountability Office (GAO) (if applicable), and requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* (if applicable).

In addition, all aspects of the engagement shall be performed in accordance with the highest professional standards and comply with all applicable federal, state and local laws.

f. Special Considerations

The firm receiving the contract for audit services shall procure and maintain, for the duration of the contract, insurance as required in the City's standard services contract (see attached). The firm must provide the City with a Certificate of Insurance.

g. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years following completion of the audit, unless the firm is notified in writing by the City of West Linn of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- City of West Linn
- Parties designated by the federal or state governments or by the City of West Linn as part of an audit quality review process
- Oregon Secretary of State, Audits Division

In addition, the firm shall respond to the inquiries of successor auditors and allow successor auditors to review working papers related to matters of accounting significance and internal control.

h. Assistance to be provided by the City

- City Staff will prepare the final closing of the books. The City will provide the auditors with a Trial Balance by fund and all of the accounting detail necessary to perform the audit.

- City Staff will prepare all workpapers requested by the Auditor prior to the start of interim and/or final fieldwork.
- City Staff will generate the necessary confirmation letters based on templates provided by the auditors.
- City Staff will prepare the draft CAFR and all related schedules and statements deliverable to the auditor during the first week of final audit fieldwork. City Staff will also incorporate any agreed upon edits to the draft CAFR to arrive at the final CAFR.
- City staff will be available during the audit to assist in providing information, documentation and explanations as needed as well as access to the computer system to view records and print reports. All requests will first be directed to the Finance Director and Finance Manager of the City.
- The City will provide the auditor with reasonable workspace including a ccess to the internet, a telephone line, photocopier and fax machine.
- The Finance Director and Finance Manager will provide the auditor with a signed Representation Letter at the conclusion of the audit.

IV. Proposal Requirements

a. Minimum Content of Responses

- I. A title page showing the firm's name, the date of proposal, point of contacts, business address, telephone numbers, and email addresses.
- II. A signed letter of transmittal briefly stating that the firm submitting the proposal is properly licensed to perform such audits in the State of Oregon (including all of the assigned professional staff to the engagement), agrees to perform all of the work outlined in the City's RFP within the time periods established by the City, is independent of the City of West Linn and understands that the firm's proposal is a firm and irrevocable offer through the June 30, 2020 audit period. The letter must also contain a certification that the person signing the proposal is entitled to represent the audit firm, empowered to submit the bid, and authorized to sign a contract with the City on behalf of the audit firm.
- III. The report on the audit firm's most recent external quality review, any findings discovered as part of that review and actions taken to correct those findings. The audit firm must also disclose information on the circumstances and status of any disciplinary action taken or pending against the audit firm during the past three (3) years with state regulatory bodies or professional organizations, as well as any pending or settled litigation within the past three (3) years.
- IV. List five (5) of the firm's current municipal auditing engagement clients in Oregon and three (3) non-current engagements served within the last three (3) years and respective contact information for reference purposes. Contact information should include the name of the public agency, name and title of contact person, telephone number, and email address.

- V. Describe the audit firm's experience and knowledge in performing audits in accordance with the provisions of the Single Audit Act, as amended by OMB Circular A-133. Attach two recent examples of your work in this area to your proposal.
- VI. Attach to the proposal one sample of your last municipal audit report issued in the State of Oregon that was similar and comparable in services to that of the City of West Linn.
- VII. Attach to the proposal two (2) samples of management letters that you have recently issued covering an audit of an Oregon municipality.
- VIII. Identify all key personnel who will be assigned to work on this project including names, CPA license numbers, and Oregon Municipal Audit Roster numbers. Include a brief summary of their background and experience in auditing similar cities as well as their roles and assigned responsibilities under the proposal.
- IX. Describe the firm's audit approach and methodology to be used to perform the audit services. Discussion items may include the approach to: 1) determining laws and regulations subject to audit test work, 2) evaluating the City's internal control structure, 3) selecting audit procedures, including sample size selection, use of specialized software and use of analytical procedures, and 4) identifying any anticipated problems.
- X. Explain how you propose to use City personnel, if at all, to assist you during the audit and indicate the approximate time required of City personnel in this capacity.
- XI. Provide a schedule (calendar) indicating proposed timing of interim fieldwork, final fieldwork and firm deliverables to the City to ensure submission of the final CAFR to the GFOA by December 31st of each fiscal year. Any assumptions regarding turnaround time for City Staff, the Audit Committee and the City Council should be clearly noted.
- XII. Provide expected hours required for the fiscal year ending June 30, 2021, audit on the "Not to Exceed Price for Proposed Services Schedule" in subsection V(a)). The City does not anticipate that a single audit will be required for the year ending June 30, 2021. For proposal purposes, assume that one is required and that there is a single major program.
- XIII. Attach an additional schedule identifying expected hours required by your firm for the subsequent fiscal years ending June 30, 2022, through 2025.
- XIV. Provide fee information on the "Not to Exceed Price for Proposed Services Schedule" for the completion of the projects described in Section III, "Scope of Auditor Services," for the fiscal years ending June 30, 2021, through June 30, 2025. For proposal purposes, assume that one is required and that there is a single major program.

- XV. Describe the firm's policy on other charges including special requests and special reports or broadening the scope of the engagement.
- XVI. List the audit firm's billing rates for all other applicable professional services for City reference as the City may request additional services which are outside of personal services audit contract.
- XVII. Identify any requirements or provisions contained in this Announcement that you believe are unfair, prejudicial, or limit competition, if any, and explain your position.

V. Attachments

a. Not to Exceed Price for Proposed Service Schedule

In accordance with the Request for Proposals for Professional Auditing Services issued by the City of West Linn, Oregon, the firm referenced below submits the following hourly fee quotation and hours proposed for all positions to be assigned to the audit:

| Key Personnel | Fiscal Year Ended June 30, 2021 | | | | |
|------------------------|---------------------------------|--------------------|-------------|-------------|-------|
| | F/S Audit Hours | Single Audit Hours | Total Hours | Hourly Rate | Total |
| Engagement Partners | | | | | |
| Engagement Manager | | | | | |
| Engagement Senior | | | | | |
| Engagement Staff | | | | | |
| Clerical/Support Staff | | | | | |
| Other | | | | | |

In accordance with the Request for Proposals for Professional Auditing Services issued by the City of West Linn, Oregon, the firm referenced below submits the following cost proposal:

| | Fiscal Years Ending June 30th, | | | | |
|-----------------------------------|--------------------------------|------|------|------|------|
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Financial Statement Audit: | | | | | |
| Single Audit: | | | | | |
| Cost of Supplies & Materials: | | | | | |
| Additional Fees (if applicable)*: | | | | | |
| Total | | | | | |

*The City of West Linn expects to receive technical assistance, as needed, from the audit firm throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. If fees related to this technical assistance are not included in the firm's financial statement audit fee, please include them here.

I hereby certify that the undersigned is authorized to represent the firm stated below, and empowered to submit this bid, and if selected, authorized to sign a contract with the City of West Linn, for the services identified in the RFP.

Firm Name: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Email Address: _____

b. Personal Service Audit Contract

The attached contract represents the City's personal service audit contract. The contract executed by the successful applicant will be in substantially the same form as Exhibit A, Personal Services Agreement for Audit Services. Any proposed changes in the language or construction of the document must be raised and resolved in the RFP process. All participants are therefore required to cite and define any/all proposed changes, additions, deletion or modifications as a condition of acceptance of their proposal. Failure to respond will be interpreted as acceptance of the terms and conditions for the contract and subsequent changes.

The contract documents shall consist of this Contract, the City's RFP (Exhibit A), Merina & Company, LLP proposal (Exhibit B), and the Engagement Letter (Exhibit C), and any conflict between the contract documents shall be resolved in the following priority:

1. The contract ;
2. Exhibit A - The City's RFP;
3. Exhibit B - Merina & Company, LLP' proposal; and
4. Exhibit C - Engagement letter

City shall, upon execution of this Contract, file a duplicate copy of the contract with the Oregon Secretary of State, Audits Division, Salem, Oregon.

The executed contract shall supersede any prior representation or contract, written or oral.

PERSONAL SERVICES AGREEMENT WITH THE CITY OF WEST LINN, OR FOR AUDIT SERVICES

THIS AGREEMENT made and entered into this 8th day of March, 2021, by and between the City of West Linn, a municipal corporation of the State of Oregon, hereinafter called City, and **Merina & Company, LLP**, hereinafter called Firm.

RECITALS

WHEREAS City has need for the services of a person or an entity with particular training, ability, knowledge, and experience as possessed by Firm, and

WHEREAS City has determined that Firm is qualified and capable of performing the professional services as City does hereinafter require, under those terms and conditions set forth,

THEREFORE the Parties agree as follows:

1. SERVICES TO BE PROVIDED

Firm shall provide services as specified in the Scope of Work, a copy of which is attached hereto, labeled Exhibit A and hereby incorporated by reference. Firm shall initiate services immediately upon receipt of City's notice to proceed, together with an executed copy of this Agreement.

2. EFFECTIVE DATE AND DURATION

This Agreement shall become effective upon the date of execution, and shall expire, unless otherwise terminated or extended, by December 31, 2025. All work under this Agreement shall be completed prior to the expiration of this Agreement.

This Agreement shall be for a term of five years, to complete the audit of five (5) individual fiscal years, commencing with auditing services for the fiscal year ending June 30, 2021. The contract may be renewed annually at the option of the City, for two successive years. Any renewal shall be upon the same original terms and provisions, provided however that the fees and "not-to-exceed" amounts may be increased as set forth in the Payment section below. Renewal shall be given in writing by the City between the period of February 1 and March 1 prior to the expiration of the original term or each renewal period.

3. COMPENSATION

The City hereby affirms that for the first year of this Contract proper provision for the payment of the fee has been or will be duly made and that funds for the

payment thereof are or will be made legally available; however, as to future years, this Contract is subject to appropriation of funds sufficient to finance costs of the contract through the City's budget process.

A. Amount of Payment

Merina & Company, LLP shall be compensated for all goods, materials, expenses, and services as follows: payment based on the lump-sum contract price and Merina & Company, LLP's schedule, as set forth in Section 11 of Exhibit B, provided however that the contract amount shall not exceed:

1. \$50,000 for FY 2020-21
2. \$51,500 for FY 2021-22
3. \$53,000 for FY 2022-23
4. \$54,625 for FY 2023-24, and
5. \$56,300 for FY 2024-25

If the Options to Renew the Contract are exercised by the City as set forth in Duration above, the fees charged for each annual period of renewal shall be **Merina & Company, LLP's** published municipal rates, or the prior year's rates plus CPI (using Bureau of Labor Statistics CPI-W for Urban Wage Earners and Clerical Workers for Western Cities – B/C), whichever is less. The "not to exceed" amount shall be:

1. \$58,000 for FY 2025-26; and
2. \$59,750 for FY 2026-27

Payment shall be based upon the following applicable terms:

- A. Payment by City to Firm for performance of services under this Agreement includes all expenses incurred by Firm, with the exception of expenses, if any identified in this Agreement as separately reimbursable.
- B. Payment will be made in installments based on Firm's invoice, subject to the approval of the City Manager, or designee, and not more frequently than monthly. Payment shall be made only for work actually completed as of the date of invoice.
- C. Payment by City shall release City from any further obligation for payment to Firm, for services performed or expenses incurred as of the date of the invoice. Payment shall not be considered acceptance or approval of any work or waiver of any defects therein.

- D. Where applicable, Firm must make payment promptly as due to persons supplying Firm labor or materials for the execution of the work provided by this order. Firm must pay all contributions or amounts due from Firm to the Industrial Accident Fund incurred in the performance of this order. Firm shall not permit any lien or claim to be filed or prosecuted against City or any subdivision of City on account of any labor or material to be furnished. Firm further agrees to pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
- E. If Firm fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to Firm or a subcontractor by any person as such claim becomes due, City's Finance Director may pay such claim and charge the amount of the payment against funds due or to become due the Firm. The payment of the claim in this manner shall not relieve Firm or their surety from obligation with respect to any unpaid claims.
- F. If labor is performed under this order, then no person shall be employed for more than eight (8) hours in any one day, or forty (40) hours in any one week, except in cases of necessity, or emergency or where the public policy absolutely requires it, and in such cases, except cases of contracts for personal services as defined in ORS 279A.055, the labor shall be paid at least time and a half for all overtime in excess of eight (8) hours a day and for all work performed on Saturday and on any legal holidays as specified in ORS 279B.020. In cases of contracts for personal services as defined in ORS 279A.055, any labor shall be paid at least time and a half for all hours worked in excess of forty (40) hours in any one week, except for those individuals excluded under ORS 653.010 to 653.260 or under 29 USC SS 201-209.
- G. Firm shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention incident to sickness or injury to the employees of Firm or all sums which Firm agrees to pay for such services and all moneys and sums which Firm collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.

4. OWNERSHIP OF WORK PRODUCT

City shall be the owner of and shall be entitled to possession of any and all work products of Firm which result from this Agreement, including any computations, plans, correspondence or pertinent data and information gathered by or computed

by Firm prior to termination of this Agreement by Firm or upon completion of the work pursuant to this Agreement.

5. ASSIGNMENT/DELEGATION

Neither party shall assign, sublet or transfer any interest in or duty under this Agreement without the written consent of the other and no assignment shall be of any force or effect whatsoever unless and until the other party has so consented. If City agrees to assignment of tasks to a subcontract, Firm shall be fully responsible for the acts or omissions of any subcontractors and of all persons employed by them, and neither the approval by City of any subcontractor nor anything contained herein shall be deemed to create any contractual relation between the subcontractor and City.

6. STATUS OF FIRM AS INDEPENDENT FIRM

Firm certifies that:

- A. Firm acknowledges that for all purposes related to this Agreement, Firm is and shall be deemed to be an independent Firm as defined by ORS 670.700 and not an employee of City, shall not be entitled to benefits of any kind to which an employee of City is entitled and shall be solely responsible for all payments and taxes required by law. Furthermore, in the event that Firm is found by a court of law or any administrative agency to be an employee of City for any purpose, City shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Firm under the terms of this Agreement, to the full extent of any benefits or other remuneration Firm receives (from City or third party) as a result of said finding and to the full extent of any payments that City is required to make (to Firm or to a third party) as a result of said finding.
- B. The undersigned Firm hereby represents that no employee of the City, or any partnership or corporation in which a City employee has an interest, has or will receive any remuneration of any description from Firm, either directly or indirectly, in connection with the letting or performance of this Agreement, except as specifically declared in writing.

If this payment is to be charged against Federal funds, Firm certifies that he/she is not currently employed by the Federal Government and the amount charged does not exceed his or her normal charge for the type of service provided.

Firm and its employees, if any, are not active members of the Oregon Public Employees Retirement System and are not employed for a total of 600 hours or more in the calendar year by any public employer participating in the Retirement System.

- C. Firm certifies that it currently has a City business license or will obtain one prior to delivering services under this Agreement.
- D. Firm is not an officer, employee, or agent of the City as those terms are used in ORS 30.265.

7. INDEMNIFICATION

City has relied upon the professional ability and training of Firm as a material inducement to enter into this Agreement. Firm warrants that all its work will be performed in accordance with generally accepted professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of a Firm's work by City shall not operate as a waiver or release.

Firm agrees to indemnify and defend the City, its officers, agents, employees and volunteers and hold them harmless from any and all liability, causes of action, claims, losses, damages, judgments or other costs or expenses including attorney's fees and witness costs and (at both trial and appeal level, whether or not a trial or appeal ever takes place) that may be asserted by any person or entity which in any way arise from, during or in connection with the performance of the work described in this contract, except to the extent that the liability arises out of the sole negligence of the City and its employees. Such indemnification shall also cover claims brought against the City under state or federal workers' compensation laws. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this indemnification.

8. INSURANCE

Firm and its subcontractors shall maintain insurance acceptable to City in full force and effect throughout the term of this contract. Such insurance shall cover all activities of the Firm arising directly or indirectly out of Firm's work performed hereunder, including the operations of its subcontractors of any tier. Such insurance shall be primary and non-contributory.

The policy or policies of insurance maintained by the Firm and its subcontractor shall provide at least the following limits and coverages:

A. Commercial General Liability Insurance

Firm shall obtain, at Firm's expense, and keep in effect during the term of this contract, Commercial General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form. This coverage shall include Contractual Liability insurance for the indemnity provided under this contract. The following insurance will be carried:

| <u>Coverage</u> | <u>Limit</u> |
|---|--------------|
| General Aggregate | 3,000,000 |
| Products-Completed Operations Aggregate | 3,000,000 |
| Personal & Advertising Injury | 3,000,000 |
| Each Occurrence | 2,000,000 |
| Fire Damage (Any one fire) | 500,000 |
| Medical Expense (Any one person) | 5,000 |

B. Commercial Automobile Insurance

Firm shall also obtain, at Firm's expense, and keep in effect during the term of this contract, Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$2,000,000.

C. Professional Liability Insurance

Firm shall obtain, at Firm's expense, and keep in effect during the term of this contract, Professional Liability Insurance covering any damages caused by an error, omission or any negligent acts. Combined single limit per occurrence shall not be less than \$2,000,000. Annual aggregate limit shall not be less than \$2,000,000.

D. Workers' Compensation Insurance

The Firm, its subcontractors, if any, and all employers providing work, labor or materials under this Contract who are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers. Out-of-state employers must provide workers' compensation coverage for their workers that comply with ORS 656.126. Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident shall be included.

E. Additional Insured Provision

The Commercial General Liability Insurance and Commercial Automobile Insurance policies and other policies the City deems necessary shall include the City, its officers, directors, employees and volunteers as additional insureds with respect to this contract.

F. Notice of Cancellation

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without 30 days written

notice to the City. Any failure to comply with this provision will not affect the insurance coverage provided to the City. The certificates of insurance provided to the City shall state that the insurer shall endeavor to provide 30 days notice of cancellation to the City.

G. Insurance Carrier Rating

Coverages provided by the Firm must be underwritten by an insurance company deemed acceptable by the City. The City reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

H. Certificates of Insurance

As evidence of the insurance coverage required by the contract, the Firm shall furnish a Certificate of Insurance to the City. No contract shall be effected until the required certificates have been received and approved by the City. The certificate will specify and document all provisions within this contract. A renewal certificate will be sent to the above address 10 days prior to coverage expiration.

Certificates of Insurance should read "Insurance certificate pertaining to contract for audit services. The City of West Linn, its officers, directors and employees shall be added as additional insureds with respects to this contract. A notation stating that "Insured coverage is primary" shall appear in the description portion of certificate.

I. Independent Firm Status

The service or services to be rendered under this contract are those of an independent Firm. Firm is not an officer, employee or agent of the City as those terms are used in ORS 30.265.

J. Primary Coverage Clarification

The parties agree that Firm's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the City is excess and not contributory insurance with the insurance required in this section.

K. Cross-Liability Clause

A cross-liability clause or separation of insureds clause will be included in the general liability policy.

Firm's insurance policy shall contain provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days prior notice to City. A copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, or at the discretion of City, in lieu

thereof, a certificate in form satisfactory to City certifying to the issuance of such insurance shall be forwarded to:

| | |
|--|---|
| Lauren Breithaupt City of West Linn 22500 Salamo Road West Linn, Oregon 97068 | Ph: 503-742-6032 Email: lbreithaupt@westlinnoregon.gov |
|--|---|

Such policies or certificates must be delivered prior to commencement of the work.

The procuring of such required insurance shall not be construed to limit Firm’s liability hereunder. Notwithstanding said insurance, Firm shall be obligated for the total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

9. METHOD & PLACE OF SUBMITTING NOTICE, BILLS AND PAYMENTS

All notices, bills and payments shall be made in writing and may be given by personal delivery, mail or by fax. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices, bills, payments, and other information:

| City of West Linn | Merina & Company, LLP |
|---|---|
| Attn: Finance Department | Attn: Tonya Moffitt |
| 22500 Salamo Road West Linn, OR 97068 | Address: 7624 SW Mohawk St, Tualatin, OR 97062 |
| Phone: 503- 657-0331 | Phone: 503-723-0300 |
| Fax: 503-650-9041 | Fax: N/A |
| Email: lbreithaupt@westlinnoregon.gov | Email: tmoffitt@merina.com |

and when so addressed, shall be deemed given upon deposit in the United States mail, postage prepaid, or when so faxed, shall be deemed given upon successful fax. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to who notices, bills and payments are to be given by giving written notice pursuant to this paragraph.

10. MERGER

This writing is intended both as a final expression of the Agreement between the parties with respect to the included terms and as a complete and exclusive

statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both parties.

11. TERMINATION WITHOUT CAUSE

At any time and without cause, City shall have the right, in its sole discretion, to terminate this Agreement by giving notice to Firm. If City terminates the contract pursuant to this paragraph, it shall pay Firm for services rendered to the date of termination.

12. TERMINATION WITH CAUSE

A. City may terminate this Agreement effective upon delivery of written notice to Firm, or at such later date as may be established by City, under any of the following conditions:

- 1) If City funding from federal, state, local, or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of services. This Agreement may be modified to accommodate a reduction in funds.
- 2) If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement.
- 3) If any license or certificate required by law or regulation to be held by Firm, its subcontractors, agents, and employees to provide the services required by this Agreement is for any reason denied, revoked, or not renewed.
- 4) If Firm becomes insolvent, if voluntary or involuntary petition in bankruptcy is filed by or against Firm, if a receiver or trustee is appointed for Firm, or if there is an assignment for the benefit of creditors of Firm.

Any such termination of this agreement under paragraph (a) shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

B. City, by written notice of default (including breach of contract) to Firm, may terminate the whole or any part of this Agreement:

- 1) If Firm fails to provide services called for by this agreement within the time specified herein or any extension thereof, or
- 2) If Firm fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this agreement in accordance with its terms, and after receipt of written notice from City, fails to correct such

failures within ten (10) days or such other period as City may authorize.

The rights and remedies of City provided in the above clause related to defaults (including breach of contract) by Firm shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

If City terminates this Agreement under paragraph (B), Firm shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred, an amount which bears the same ratio to the total fees specified in this Agreement as the services satisfactorily rendered by Firm bear to the total services otherwise required to be performed for such total fee; provided, that there shall be deducted from such amount the amount of damages, if any, sustained by City due to breach of contract by Firm. Damages for breach of contract shall be those allowed by Oregon law, reasonable and necessary attorney fees, and other costs of litigation at trial and upon appeal.

13. ACCESS TO RECORDS

City shall have access to such books, documents, papers and records of Firm as are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

14. FORCE MAJEURE

Neither City nor Firm shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disabled, including but not restricted to, an act of God or of a public enemy, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather or delay of subcontractor or supplies due to such cause; provided that the parties so disabled shall within ten (10) days from the beginning of such delay, notify the other party in writing of the cause of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under the Agreement.

15. NON-WAIVER

The failure of City to insist upon or enforce strict performance by Firm of any of the terms of this Agreement or to exercise any rights hereunder should not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.

16. NON-DISCRIMINATION

Firm agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Firm also shall comply with the Americans with Disabilities Act of 1990, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws.

17. ERRORS

Firm shall perform such additional work as may be necessary to correct errors in the work required under this Agreement without undue delays and without additional cost.

18. EXTRA (CHANGES) WORK

Only Lauren Breithaupt, Finance Director may authorize extra (and/or change) work. Failure of Firm to secure authorization for extra work shall constitute a waiver of all right to adjustment in the contract price or contract time due to such unauthorized extra work and Firm thereafter shall be entitled to no compensation whatsoever for the performance of such work.

19. WARRANTIES

All work shall be guaranteed by Firm for a period of one year after the date of final acceptance of the work by the owner. Firm warrants that all practices and procedures, workmanship and materials shall be the best available unless otherwise specified in the profession. Neither acceptance of the work nor payment therefore shall relieve Firm from liability under warranties contained in or implied by this Agreement.

20. ATTORNEY'S FEES

In case suit or action is instituted to enforce the provisions of this contract, the parties agree that the losing party shall pay such sum as the court may adjudge reasonable attorney fees and court costs, including attorney's fees and court costs on appeal.

21. GOVERNING LAW

The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Oregon. Any action or suits involving any question arising under this Agreement must be brought in the appropriate court of the State of Oregon.

22. COMPLIANCE WITH STATE AND FEDERAL LAWS/RULES

Firm shall comply with all applicable federal, state and local laws, rules and regulations, including, but not limited to, the requirements concerning working hours, overtime, medical care, workers compensation insurance, health care payments, payments to employees and subcontractors and income tax withholding

contained in ORS Chapters 279A and 279B, the provisions of which are hereby made a part of this agreement

23. CONFLICT BETWEEN TERMS

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

24. AUDIT

Firm shall maintain records to assure conformance with the terms and conditions of this Agreement, and to assure adequate performance and accurate expenditures within the contract period. Firm agrees to permit City, the State of Oregon, the federal government, or their duly authorized representatives to audit all records pertaining to this Agreement to assure the accurate expenditure of funds.

25. SEVERABILITY

In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the parties when they entered into the agreement.

26. PUBLICATION RIGHTS/RIGHTS IN DATA

All material contained in the CAFR and related reports (graphics, photos, etc.), prepared by the City are the property of the City. The auditors' reports are the property of Merina & Company, LLP; the City may reproduce and distribute the reports, or any part thereof, in such form as the City desires, but will inform Merina & Company, LLP if such reports are to be used in offering documents or similar materials and obtain the written permission of Merina & Company, LLP to do so.

Merina & Company, LLP shall not publish any of the results of the work without the prior written permission of the City. All original written material and other documentation, including background data, documentation, and staff work that is preliminary to final reports, originated and prepared for the City pursuant to this contract, is exclusively the property of Merina & Company, LLP.

Material already in Merina & Company, LLP's possession, independently developed by Merina & Company, LLP outside the scope of this contract or rightfully obtained by Merina & Company, LLP from third parties, shall belong to Merina & Company, LLP.

27. AMENDMENT AND COMPLETE AGREEMENT

This Agreement and attached exhibits constitutes the entire Agreement between the parties. No waiver, consent, modification, or change of terms of this

Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change if made, shall be effective only in specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. Firm, by the signature of its authorized representative, hereby acknowledges that he has read this Agreement, understands it and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, City has caused this Agreement to be executed by its duly authorized undersigned officer and Firm has executed this Agreement on the date hereinabove first written.

Merina & Company, LLP

CITY OF WEST LINN

By¹: _____
Tonya Moffitt
Managing Partner
Date: _____

Lauren Breithaupt
Date: _____
Chief Financial Officer

Merina & Company, LLP
7624 SW Mohawk Street
Tualatin, Oregon 97062

Jerry Gabrielatos
Date: _____
City Manager

Employer ID #²: 32-03466642

City of West Linn
22500 Salamo Road
West Linn, Oregon 97068

Check one:

Sole Proprietor _____
Partnership _____
Corporation _____
Limited Liability Company _____

Date Authorized by Council, if applicable:

¹ The individual signing on behalf of Merina & Company, LLP hereby certifies and swears under penalty of perjury: (a) the number shown on this form is Merina & Company, LLP's correct taxpayer identification; (b) Merina & Company, LLP is not subject to backup withholding because (i) Merina & Company, LLP is exempt from backup withholding, (ii) Merina & Company, LLP has not been notified by the IRS that Merina & Company, LLP is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified Merina & Company, LLP that it is no longer subject to backup withholding; (c) s/he is authorized to act on behalf of PS Merina & Company, LLP, s/he has authority and knowledge regarding PS Merina & Company, LLP's payment of taxes, and to the best of her/his knowledge, Merina & Company, LLP is not in violation of any Oregon tax laws, (d) Merina & Company, LLP is an independent contractor as defined in ORS 670.600; and (e) the above data is true and accurate.

² Merina & Company, LLP's disclosure of Social Security number or Taxpayer Identification number is requested so that the City may comply with federal and state income tax reporting requirements. 5 USC 552a. This contract is subject to public disclosure. You may submit the social security / taxpayer identification number by separate letter to the Finance Director, along with a request that it not be subject to public disclosure. In such event, the City shall only disclose the social security / taxpayer identification number as required by the Oregon Public Records law, ORS 192.502.

Limited Liability Partnership X
Other: _____

APPROVED AS TO FORM:

CITY ATTORNEY

c. Scope of Work (Services To Be Provided)

SCOPE OF WORK

1. Merina & Company, LLP shall conduct an audit of the accounts and fiscal affairs of the City, for the year beginning July 1, 2020, and ending June 30, 2021, and annually thereafter. The Work shall be performed in accordance with:

- a. The *Minimum Standards of Audits of Oregon Municipal Corporations*;
- b. The requirements of Oregon Revised Statutes 297.405 through 297.740, and the associated regulations;
- c. Generally accepted auditing standards, and,
- d. When required, *Government Auditing Standards* prescribed by the Comptroller General of the United States and Office of Management and Budget Circular A-133, commonly called the "Single Audit".

2. The audit shall be undertaken in order to express an opinion upon the financial statements of the City, and to determine if the City has complied substantially with appropriate legal provisions. The services to be provided are detailed in the Proposal issued by Merina & Company, LLP (Exhibit B).

3. Merina & Company, LLP agrees that the services they have contracted to perform under this contract shall be rendered by them or under the personal supervision of an auditor admitted to the Municipal Roster employed by them, and that the work will be faithfully performed with care and diligence.

4. If unusual conditions arise or are encountered during the course of the audit making additional services of [FIRM necessary, the Merina & Company, LLP shall provide written notification of such unusual conditions to the City, who shall instruct Merina & Company, LLP of any necessary action to be taken in writing concerning the additional services. The signed copy of the notification and instructions shall be delivered immediately to the Secretary of State by the party issuing the notification.

5. The audit shall start at a mutually agreed upon time after this contract is executed. The audit shall be completed, and all written reports delivered, no later than six months, after the close of the audit year covered by this contract, unless extended by mutual agreement and approved by the Oregon Secretary of State.

6. Adequate copies of the auditors' reports on financial statements and related reports and opinions required by professional standards shall be delivered to the City; the form and content of the reports shall be in accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*.

7. City acknowledges that it is responsible for ensuring its financial statements fully disclose and fairly present the results of operations for the year under audit and the financial condition at the end of that year. If the City does not prepare and present the financial statements within a reasonable period of time, it is understood Merina & Company,

LLP shall prepare them for the City. The cost of preparing such financial statements shall be in addition to the fee for conducting the audit set forth below.

8. All final reports shall be provided in both written and electronic format. Electronic format shall be in a format coordinated with the City and shall be fully compatible with such software programs specified by the City, e.g. Microsoft Word, Microsoft Excel, or such other software program as specified by the City.

9. The Scope of Work is subject to the following restrictions and assumptions:
- a. City's staff shall reasonably cooperate with Merina & Company, LLP.
 - b. The books are closed, balanced and reconciled, and that no unexpected circumstances will be encountered during the audit.
 - c. City will prepare all financial schedules that it has traditionally prepared, including the Comprehensive Annual Financial Report (CAFR).
 - d. City will print the financial statements, except reports and opinions of Merina & Company, LLP, and will prepare all statistical tables for the CAFR.
 - g. If audit or reporting requirements change substantially, the parties will agree to renegotiate audit and assistance fees to allow Merina & Company, LLP to meet professional standards without economic harm or benefit, regardless of whether those new requirements reduce or increase Merina & Company, LLP's responsibilities.



PROPOSAL TO PROVIDE PROFESSIONAL AUDITING SERVICES FOR CITY OF WEST LINN

A background image of a dense forest with tall, thin trees, shrouded in a thick mist or fog. The scene is captured in a monochromatic, slightly desaturated blue-grey tone.

**CITY OF
WEST LINN**
FEBRUARY 17, 2021

MERINA+CO CONTACT
Tonya Moffitt, Managing Partner

tmoffitt@merina.com
(503) 723-0300

7624 SW Mohawk Street
Tualatin, OR 97062

merina.com

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CITY OF WEST LINN

22500 Salamo Road
West Linn, OR 97068

ATTN:

Lauren Breithaupt
Finance Director

WE WANT TO WORK WITH YOU

Merina+Co (MCO) is pleased to present this proposal to provide independent audit services for the City of West Linn, herein referred to as the "City." The audits will be performed in accordance with auditing standards generally accepted in the United States, *Government Auditing Standards* issued by the Comptroller General of the United States, and Minimum Standards for Audits of Oregon Municipal Corporations. A single audit in compliance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), will be performed on the City's primary government when federal expenditures exceed the Single Audit prescribed threshold. Our proposal demonstrates that we have the experience and qualifications to provide these services in a professional, competent, and cost-effective manner.

We believe MCO is the best firm for the City. We have a long history performing audits of local governments and differentiates ourselves by focusing on your wants and understanding your needs. We provide you with an audit team who has an in-depth knowledge of the issues and challenges faced by governmental entities like the City. The individuals to be assigned to your audit have direct experience and qualifications relating to municipal auditing. We make every effort to keep the same staff on the engagement throughout the term of our contract. We meet all mandatory requirements as stated in the RFP.

Our proposal demonstrates we have recent experience with the audit requirements of the City, understand the environment in which you operate, and have developed a proven approach to achieve the scope of the engagement. Our approach is designed to perform a high-quality audit efficiently, according to standards and within the time periods established by the City. We affirm that MCO is independent of the City and that all partners and managers named in this proposal are:

- + Duly licensed by the Oregon Board of Accountancy to practice as Certified Public Accountants
- + Licensed Municipal Auditors
- + Meet the independence requirements of the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States
- + Certified Women Business Enterprise with the State of Oregon and State of Washington

We appreciate the opportunity to propose on this engagement. This proposal is a firm and irrevocable offer open through the June 30, 2021 audit period. Tonya Moffitt, CPA, who is entitled to represent MCO, empowered to submit this bid and authorized to sign a contract with the City on behalf of the firm, signs this proposal.

Sincerely,



Tonya Moffitt CPA, Managing Partner
7624 SE Mohawk Street, Tualatin, OR 97062
tmoffitt@merina.com
503.806.3257

**FOCUSED ON YOUR WANTS AND
UNDERSTANDING YOUR NEEDS**

FIRMFUNDATION

INDEPENDENTLY OWNED MEMBER

PEER REVIEW

The firm has participated in the American Institute of Certified Public Accountants (AICPA) Peer Review Program since its inception. We have undergone an external peer review every three years since that time and conduct internal quality reviews in each of the intervening two years for our audit assurance engagements. Every external review has resulted in an unqualified opinion or pass. In January 2019 we received a peer review of *pass*. Under these peer review reporting standards, a *pass* is the highest rating a firm can achieve. These reviews have placed an emphasis on our municipal, compliance, and single audit practices and included governmental engagements. There were no findings as a result of the peer review. A copy of our most recent peer review is displayed on the next page. Merina+Co has had no disciplinary action taken or pending with state regulatory bodies or professional organizations and no pending or settled litigation within the last 3 years.



WALL & WALL, PC Certified Public Accountants

750 Central Avenue, Suite 102 • Coos Bay, OR 97420
541.269.1358 • FAX 541.269.0202

Report on the Firm's System of Quality Control

January 24, 2019

To the Owners of
Merina & Company, LLP
and the Peer Review Committee of the Oregon Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice Merina & Company, LLP (the firm) in effect for the year ended May 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, and limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality of control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review include engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act.

As part of our review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice Merina & Company, LLP in effect for the year ended May 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Merina & Company, LLP received a peer review rating of *pass*.

Wall & Wall P.C., CPA's

Wall & Wall, P.C., Certified Public Accountants

CURRENT CLIENTS & REFERENCES

While any of our clients can be contacted as a reference, we have provided five that clearly demonstrate our ability to serve governmental entities similar to the City.

City of Tualatin

Location: 18880 SW Martinazzi Ave., Tualatin, OR 97062

Contact Name: Don Hudson, Assistant City Manager, Finance Director

Contact: 503.691.3050 | dhudson@ci.tualatin.or.us

City of Oregon City

Location: 625 Center Street, Oregon City, OR 97065

Contact Name: Wyatt Parno, Finance Director

Contact: 503.496.1525 | wparno@orc.org

City of Astoria

Location: 1095 Duane Street, Astoria, OR 97103

Contact Name: Susan Brooks, Finance Director

Contact: 503.298.2433 | sbrooks@astoria.or.us

City of Gladstone

Location: 525 Portland Ave., Gladstone, OR 97027

Contact Name: Cathy Bruckner, Interim Finance Director

Contact: 503.479.6860 | finance@ci.gladstone.or.us

City of Milwaukie

Location: 10722 SE Main Street, Milwaukie, OR 97222

Contact Name: Bonnie Dennis, Finance Director

Contact: 503.786.7505 | DennisB@milwaukieoregon.gov

NON-CURRENT CLIENTS & REFERENCES

Three of our non-current clients served within the last three years are provided below along with the respective contact information.

City of Gates

Location: 101 Sorbin Street, Gates, OR 97346

Contact Name: Traci Archer, City Recorder/Administrator

Contact: 503.897.2669 | ctygates@wbcable.net

City of Cornelius

Location: 1355 N. Barlow Street, Cornelius, OR 97113

Contact Name: Ellie Jones, Finance Director

Contact: 503.357.9112 x5302 |

ellie.jones@corneliusor.us

City of Tillamook

Location: 210 Laurel Ave., Tillamook, OR 97141

Contact Name: Jamy Christensen, Finance Director

Contact: 503.842.2472 x3466 |

jchristensen@tillamookor.gov

FIRM QUALIFICATIONS AND EXPERIENCE

Merina+Co (MCO) is an advisory and assurance firm located in Tualatin, Oregon and from where this engagement will be administered. Our firm is committed to focusing on your wants and understanding your needs. We specialize in providing governments with independent and accurate auditing and

assurance services, as well as making available a full range of advisory services.

At MCO, we put our clients first. We believe providing quality customer service leads to a better audit. We work to create a trusting relationship with open communication. We strive to meet the audit requirements of your organization in a timely manner and at a reasonable cost. Our audits are tailored to your requirements and our deliverables will be efficiently prepared, on-time and of the highest quality.

We will be available to you on a year-round basis. Our policy is to not charge for occasional calls on accounting, budgeting, new accounting and Governmental Accounting Standards Board pronouncements, or other matters in the normal course of business. In fact, we encourage you to call us so potential future problems might be avoided. We make it a point to establish a trusting professional relationship with you, so you feel comfortable calling when you have questions or concerns.

As part of MCO's comprehensive approach, we provide eight hours of complementary advisory services during the first year of a new audit contract. We will listen to your team to determine how we can further assist you with your wants and understand your needs. Some of the many advisory services we offer include:

- + Information System control review and documentation
- + City-wide operational risk assessment
- + Organization and process reviews

MCO is licensed to practice accounting in the State of Oregon, Washington, and Hawaii. We are a member of the following professional organizations:

- + American Institute of Certified Public Accountants
- + Oregon State Society of Certified Public Accountants
- + Government Finance Officers Association
- + Oregon Government Finance Officers Association
- + American Institute of Certified Public Accountants Governmental Audit Quality Center

Single Audit Experience

We perform single audits for many of our clients every year. In the last five years we have audited nearly 60 different federal programs and the related compliance requirements. Our experience with federal programs provides us the ability and expertise to audit any federal program. We have performed single audits for cities, counties, school districts, state agencies, and state departments. Several of these engagements have been selected for peer review without any

findings. In addition, we have also performed program specific audits of federal programs for the Oregon Secretary of State Audits Division. See **Appendix B** for two recent examples.

We are up to date on changes to the OMB's Uniform Guidance with regards to the single audit. The partner assigned to the City's audit provided input to the proposed changes to Uniform Guidance issued in January 2020. COVID-19 created several new federal programs and additional funding for some existing programs. Ms. Moffitt currently teaches classes on applying the Uniform Guidance for federal awards in single audits, including three classes in 2021 on the new COVID-19 funding, and has the Advanced Single Audit Certificate issued by the Association of International Certified Professional Accountants. Ms. Moffitt also serves on the AICPA State and Local Government Panel as an advisor to the AICPA on governmental audit standards and approach. She is able to leverage the experience and knowledge of her participation to the direct advantage of our clients.

Municipal Experience

We have performed audits and other services for a wide range of governmental entities, from small municipalities with few resources, to large agencies that face heavy workloads and complicated compliance requirements. Services provided have included auditing government financial statements, compliance

single audits, evaluating the internal controls structure, assessing control risk, performing tests of controls, and testing compliance with applicable laws and regulations. From this experience, we have created extensive work programs, procedures, and clear reporting templates that allow us to work efficiently to get the job done. We also offer other services including a variety of agreed upon procedures and advisory services such as transient room tax audits, statewide transportation improvement fund (STIF) reviews, rate consulting, City Council and staff trainings and franchise fee rate setting. We have taken the time to focus on these categories of service to be able to respond quickly and efficiently to our governmental clients. See **Appendix C** for a recent example.

SAMPLE MANAGEMENT LETTER

Please see **Appendix D** for two samples of management letters that MCO issued recently covering an audit of an Oregon municipality.

AUDIT TEAM

Management Team

MCO provides a high level of management participation and hands-on involvement in all phases of the audit. During the engagement, as well as the rest of the year, the City can expect full access to the audit team including the engagement partner and manager. All work will be reviewed by the engagement partner or manager. Progress meetings will be held as needed or required. If we encounter any issues

or findings, they will be brought to management's attention right away.

In accordance with Statements of Quality Control Section 10, issued by the Auditing Standards Board of the AICPA, we have fully implemented the use of an engagement quality control reviewer. The purpose is to provide an objective evaluation of the significant judgments made and conclusions reached by the engagement team and ensure that reports are appropriate for the circumstances. The engagement quality control reviewer will be a person or team of persons in the firm not involved in the audit, and who have sufficient and appropriate experience and authority to perform the engagement quality control review.

Audit Team

We have selected the audit team for this engagement based on their experience and training in relation to the requirements of the City. We understand that an audit can either be a disruptive experience or an opportunity to bring to the City best practices we see in other audit clients. We are committed to providing our clients with competent services, professionally delivered. We have assigned an engagement partner, audit manager and senior accountant. Additional senior auditor and staff accountants will be assigned once engaged with the City. Detailed resumes can be found in **Appendix A**.

Engagement Partner

Tonya Moffitt, CPA (CPA License #11063; Municipal License #1392), is MCO's managing partner and will be your engagement partner. She received her Bachelor of Science in

Accounting from Portland State University (PSU) and then a Master of Science in Financial Analysis.

Ms. Moffitt has experience working with various municipalities with a focus on cities, special districts, and state agencies. She has been the engagement partner for MCO's audits of the City of Klamath Falls, City of West Linn, City of McMinnville, City of The Dalles, City of Oregon City, City of Gresham, Clean Water Services (a component unit of Washington County) and the Common School Fund of the Oregon Department of State Lands, and many others. She has also managed several federal compliance audits at the Oregon Secretary of State Audits Division. She is also responsible for training the new staff who assist in governmental and compliance audits.

She is a reviewer for the GFOA Certificate of Excellence in Financial Reporting Award program and has assisted several of our clients in their initial submission and retention of the award. Ms. Moffitt is a current member of the AICPA State and Local Government Expert Panel and former Board Member of the Oregon Society of Certified Public Accountants (OSCPA). She is also a Co-Chair of the Accounting Standards Review Committee for the Oregon Government Finance Officers Association, former Chair and current member of the OSCPAs Government Strategic Committee, Chair of the Oregon Board of Accountancy Complaints Committee and PSU's Accounting Advisory Board Member.

She participates in AICPA, OSCPAs and Portland State University's Coaching Programs

as a guide to students transitioning from college into the accounting profession. She served as Chair of the Board of Directors and is a current finance committee member for Forward Stride, a non-profit therapeutic equine program which provides, promotes, and supports quality therapeutic recreation services for children and adults.

The partner's involvement on the AICPA's State and Local Government Expert Panel and OGFOA's Accounting Standards Review Committee enables her to study in advance which pronouncements will affect our clients and respond to the regulatory agencies when they are exposure drafts. Ms. Moffitt was on a committee that created the example GASB 68 and GASB 75 audit program, footnote, journal entries, and schedules that are available on the OGFOA and OSCPAs websites.

Ms. Moffitt focuses her continuing professional education in Oregon Budget Law, governmental accounting and auditing. She meets all Yellow Book continuing education requirements for in-charge auditors. Ms. Moffitt is the instructor for the OSCPAs Minimum Standards for Audits of Oregon Municipal Corporations/Oregon Local Budget Law class that is required for all Oregon Municipal Auditors. Ms. Moffitt will be present during a portion of field work and will be responsible for:

- + Development of the overall audit plan
- + Determine the nature, timing, and scope of specific audit procedures
- + Consultation with audit staff and management over important issues

- + Review of audit work performed by the audit manager and selected other areas
- + Quality of the audit and the audit reports
- + Issuance of the audit reports
- + Presentations to management and City Council

Audit Manager

Danielle Groves, CPA, CFE (CPA License #12314; Municipal License #1487), is a Partner with MCO and will lead the audit. She received her Bachelor of Arts in Business Administration, focusing in Accounting, and her Bachelor of Arts in Education from Oregon State University.

Ms. Groves has experience working with a variety of government entities with a focus on cities and state agencies. She has been a lead auditor for the City of Tualatin, City of Wilsonville, City of McMinnville, City of Oregon City, City of West Linn, City of Astoria, City of Happy Valley, City of Gresham, Clean Water Services of Washington County, as well as others. She has also worked on federal compliance audits for the Oregon Secretary of State Audits Division.

Prior to joining MCO, Ms. Groves gained valuable audit experience as a Senior Associate in the Advisory practice with KPMG, LLP. She has over eleven years of public accounting experience performing governmental audit and advisory work, compliance work for an international Fortune 500 manufacturing company, performing Sarbanes-Oxley tests of controls and reviewing internal controls.

Ms. Groves meets all Yellow Book continuing education requirements for in-charge auditors. Her areas of focus and continuing professional education include federal Single audits and financial audits of municipalities. Ms. Groves will be responsible for:

- + Direct supervision of the audit team
- + Review of audit work performed by the senior and selected other areas
- + Execution of audit procedures in significant or difficult audit areas
- + Quality of the audit and the audit reports
- + Progress meetings with City management

Senior and Staff Accountants

Our senior and staff accountants are all CPA's or CPA candidates. They have prior experience auditing other MCO governmental and non-profit clients, performing single audits, and testing compliance with Oregon Local Budget Law. Continuing education emphasizes governmental accounting and also Oregon requirements. As a result of our specialization in governmental auditing all of our staff has in-depth experience with municipal engagements. Responsibilities include but are not limited to:

- + Execution of audit procedures such as internal controls testing, tests of detail, and compliance testing
- + Preparation of financial statements and reports

Staff Continuity

Staff continuity enables us to be more familiar with City personnel and with the issues the City faces. Therefore, it is our policy to keep the

same audit team assigned to the engagement for the duration of the contract so the City will have the benefit of working with the same audit team from year to year. Changes to the audit team should only occur due to turnover which has been historically low. In the unlikely event that our audit personnel should change, a seasoned replacement with substantially the same or better qualifications or experience will be assigned.

AUDIT PROCEDURE METHODOLOGY

Determining Laws and Regulations

We will comply with the provisions of federal, state, and City statutes, local ordinances, charter, bond covenants, administrative code and orders, and rules and regulations that may pertain to work required in the engagement. We will review the City's Charter, By-laws, Ordinances, Minutes, and Resolutions, as well as make inquiries of City personnel to identify compliance requirements. Federal compliance requirements will be determined from Uniform Guidance and grant agreements. Other restrictions and covenants will be determined from prior year financial statements and reviewing leases, contracts, and bond indentures. With respect to federal award programs, we have developed audit programs that allow us to:

- + Identify compliance requirements
- + Prepare tests to measure compliance
- + Evaluate compliance

MCO has created a custom audit program to test compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as

specified in the Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations. The results are reported in the 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 Regulations included in the financial statements.

Documenting an Understanding of Internal Control Structure

Our audit approach is based on an understanding and evaluation of the system of internal controls. Depending on the circumstances and transaction cycle in question, we will use a combination of checklists, flowcharts, and a comprehensive risk assessment matrix to document the system. The controls in each major transaction cycle will be identified and evaluated so that we may determine which controls can be relied upon. This will enable us make decisions about inherent risk and control risk and allow us to tailor an efficient audit program which may lead to reduced substantive testing.

We will determine the amount and sufficiency of the City's current level of internal controls documentation. Our approach is to then test the controls, evaluate the operating effectiveness of the controls, and design appropriate audit procedures. We will use the City's documentation of the controls. If more documentation of the various processes in the accounting cycles is needed to gain a better understanding of the City's controls, we can

work with City personnel to develop the needed documentation.

Sampling

We use sampling throughout the audit process to obtain and evaluate audit evidence in order to form a conclusion or determine if additional audit procedures are needed. Sampling is used extensively in testing of internal controls and compliance with applicable rules, regulations, and/or award requirements. Sample sizes will be determined during the planning phase of the audit and reassessed as necessary during interim and final fieldwork.

We may conduct the audit with the assistance of data extraction software. This software allows our audit teams to extract data and efficiently analyze the population. Automated applications that we typically utilize are sample planning and selection, statistical analysis data mining, identifying sequence gaps, and identifying duplicate transactions, vendors, and/or employees.

Attribute sampling is concerned with the rate of occurrence rather than a dollar amount, making it appropriate for tests of compliance with laws and regulations in a Single Audit.

Analytical Procedures

We will perform preliminary analytical procedures during the planning phase of the audit. We will also perform substantive analytical tests in most key audit areas. Typically, we compare current year balances to prior years and budget and investigate variances outside of the scope. The scope is determined by our assessment of materiality,

internal control understanding, and expectations based on external information and knowledge of the City. We will also perform predictive analytical tests and ratio analysis and determine whether actual balances are in line with our expectations.

Understanding of the City's Use of Electronic Data Processes

We will attain a general understanding of the computer systems and the software used by the City. Our understanding will be documented in the form of checklists and related explanations enabling us to assess the audit risk and tailor audit programs accordingly. Our understanding of these processes allows us to evaluate risk for material misstatement of the financial statements and design and perform audit procedures at both a transactional and system-wide level as appropriate.

Identification of Anticipated Potential Audit Problems

While we do not expect any audit difficulties that would delay the completion of the audit, there are always unforeseen circumstances that can arise and therefore we are prepared to confront them if necessary. Our approach is to gain a clear understanding of the problem, assess the audit exposure, and identify possible solutions. If the problem appears to require a significant expansion of the scope of the audit, we will immediately present the situation to Management. Often, we are able to mitigate the situation with the help of the City staff. If not, then we will prepare a time and fee budget to solve the problem and present it to the City for approval. In no event, will we

proceed with extra work without the consent of the City.

New Accounting Pronouncements

Due to MCO's specialization in municipal audits, we have significant experience implementing new accounting pronouncements. Our approach is to proactively help our clients understand and implement new accounting pronouncements that are applicable to them. The partner assigned to this engagement is a member of the AICPA's State and Local Government Expert Panel and Co-Chair of the OGFOA's Accounting Standards Review Committee. The expert panel brings together knowledgeable parties in the state and local government industry to deliberate on key state and local government issues. In addition, they help write, review, and edit the AICPA State and Local Government Audit Guide. The OGFOA committee's primary responsibilities are to review, evaluate and prepare responses to GASB exposure drafts and to provide OGFOA members with information on accounting issues and developments. The partner's appointment to the expert panel and involvement on the OGFOA's committee enables her to study in advance which pronouncements will affect our clients. She is also the former chair of the Oregon Society of CPA's Uniform Guidance Task Force.

MCO takes a hands-on approach in helping our clients with new accounting pronouncements. We offer free training classes on recently issued GASB pronouncements. We also provide our clients governmental updates pertaining to significant changes in reporting requirements. We will be available to give guidance to City staff on various accounting and reporting questions throughout the year. When MCO learns about potential new pronouncements or changes to current pronouncements we notify clients how these potential changes could affect their entity, so they can have an opportunity to respond to the OMB proposed rules or GASB preliminary views and exposure drafts. The partner assigned to this engagement is the chair of the OSCPAs Governmental Accounting and Auditing CARES Subcommittee and is aiding local governments with negotiating the requirements associated with COVID-19 federal funding.

Suggestions for Improving Internal Account Controls

We believe that communication is vital to a successful audit. Since MCO audits many local governments we are able to observe "best practices" other local governments have implemented and make recommendations accordingly. We make it a practice to offer these suggestions informally during the course of the audit by keeping the management team informed of our status and any observations,

opinions, or comments we note. Any findings will be brought to management's attention right away.

Under the Clarified U.S. Auditing Standards Section (AU-C) 260 and 265 we communicate certain internal control deficiencies and other audit communications to those charged with governance. Reportable items will be discussed with management and drafts will be provided for review and comment prior to final issuance. In addition, a management letter may be issued to management to communicate other non-reportable observations and recommendations, if necessary.

Use of City Personnel

It is our practice to work with City personnel whenever possible to minimize costs and improve efficiencies. We recognize that City personnel have their own full workloads and priorities. We will make every effort to keep our requests to a minimum and avoid disruptions.

We will expect City personnel to provide us with a trial balance, internal control documentation, reconciliations, and general ledger detail. We anticipate accounting personnel will be available to assist us in understanding your processes and locating documents, invoices, etc. needed for our testing. As we have already built a permanent file for the City, we will not need to obtain documents normally required during the initial

year of an audit. In total, assistance from City personnel should approximate time requirements similar to prior year audits.

GFOA Certificate of Achievement for Excellence in Financial Reporting

We will assist the City in retaining the GFOA Certificate of Achievement for Excellence in Financial Reporting by carefully reviewing the CAFR and completing the Disclosure Checklist. Tonya Moffitt and Danielle Groves who are assigned to this engagement, are reviewers for the GFOA in this program and have in-depth knowledge of the program requirements. We have assisted many cities and counties in their initial submission as well as retention of the award and expect no difficulties in doing so for the City.

AUDIT APPROACH

Work Plan and Schedule

MCO is committed to meeting all desired timelines and required deadlines. To do this we prefer to perform as many audit procedures as possible during the planning phase of the audit, including interim fieldwork. This includes documenting or updating our understanding of the financial system and internal controls, performing a preliminary analytical review, developing tests of controls and sampling plan, and performing a risk assessment, in order to develop our audit plan and procedures. MCO has specialized government auditing programs that are customized to each individual client

during the planning of the audit. This practice minimizes disruption to City staff during final fieldwork and allows for quicker identification of any problem areas.

With COVID-19, we had to adapt. In an effort to do our part to help slow the spread of COVID-19, all Merina+Co employees have been working from home. This also required us to perform our June 30, 2020 audits remotely. We are proud that we have robust technology in place that enables our employees to provide client services remotely. Next year, for the June 30, 2021 audit season, we are planning to have a small team, or one team member go onsite for all or part of fieldwork if City offices are open and your team feels comfortable with it. We hope this will eliminate some of the inefficiencies of a remote audit. We missed being onsite with our clients and the spontaneous conversations that are beneficial to both the City and our team.

Should any unforeseen circumstances arise during the audit, we will gain a clear understanding of the problem, assess the audit exposure, and identify possible solutions. If we believe there is a significant change in scope, we will immediately present the situation to management. We will not proceed with extra work unless agreed upon by both the City and MCO.

The audit approach for this engagement is presented in the form of a comprehensive work plan that we have developed to complete the engagement. The work plan is broken down by major audit activity and is presented below followed by our audit procedures methodology.

Audit Planning and Interim Fieldwork

Completion by September 2021

Understanding the Entity and its Environment, Assessing Risk and Designing Audit Procedures, and Understanding and Testing Internal Controls

- + Obtain signed engagement letter from the City
- + Consideration of firm and audit team independence
- + Preliminary meetings held and schedule for 2021 audit
- + Review predecessor auditors work papers
- + Submit client document request list
- + Review minutes
- + Document an understanding of financial activities
- + Document an understanding of electronic processing of transactions
- + Document internal control over financial activities
- + Evaluate internal controls
- + Perform risk assessment
- + Review compliance with Oregon Budget Law
- + Test compliance with Oregon Minimum Standards

- + Identify audit risk factors including misstatement due to fraud
- + Compute financial statement materiality
- + Perform preliminary analytical review
- + Develop overall audit plan and programs
- + Compliance Single Audit: Identify major programs and key compliance areas
- + Progress meeting with management

Final Fieldwork

Completion by October 2021 (2 weeks)

Audit of Significant Account Balances and Classes of Transactions

- + Perform substantive audit procedures based on risk assessment
- + Perform analytical procedures
- + Compute final materiality
- + Perform final analytical review
- + Summarize unadjusted misstatements and passed journal entries, if any
- + Evaluate results of audit procedures
- + Provide adjusting entries and final trial balance, if any adjustments
- + Progress meeting with management

Compliance (Single) Audit

- + Perform tests of internal control and compliance
- + Accumulate potential questioned costs and findings
- + Perform procedures on prior year audit findings, if any
- + Determine if audit procedures and results are sufficient to support the opinion

Audit Wrap-Up

Completion by October 2021

- + Review for subsequent events
- + Obtain and evaluate attorney's letter(s)
- + Review work papers
- + Review financial statements and disclosures
- + Complete Disclosure Checklist
- + Determine if audit evidence supports our opinion

Deliverables

Completion by November 2021

- + Independent Auditor's Report
- + 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 Regulations*
- + Independent Auditor's Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- + Independent Auditor's Report on Compliance for Each Major Program, on Internal Control Over Compliance, and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
- + Letter to Those Charged with Governance (AU-C 260)

- + Management Letter (AU-C 265) and/or exit memo of recommendations, if necessary
- + Obtain the responses to AU-C 265, if applicable
- + Obtain Management Representation Letter
- + Prepare Summary of Revenues and Expenses for submission to the Secretary of State Audits Division

Deliver Final Reports

No later than December 31, 2021

Conduct Exit Conference

Mutually Agreeable Date

AUDIT FEE

Proposed Fee

Based on our experience with audits of similar size and scope, we estimate a fair price for this engagement of \$45,000. This is a Not-To-Exceed fee and includes all incidental costs such as preparing all report copies, travel, subsistence, etc. If we are able to complete the project in less time, we will bill only for costs actually incurred.

This fee has been determined according to the *Not to Exceed Price for Proposed Services Schedule* in **Attachment E**.

If there is a change in scope, such as a single audit, inflation, or extraordinary situations arise that would require additional audit time, we would expect to be able to discuss this with management and arrive at a mutually agreeable adjustment to the basic fee.

Additional Technical Assistance

Our policy is to provide occasional calls on accounting, budgeting, or other matters in the normal course of business without charge. In fact, we encourage our clients to call us so potential future problems can be avoided. We make it a point to establish a close professional relationship with our clients so they will feel comfortable calling when they have questions.

From time-to-time an audit client requests that we prepare special reports or broaden the scope of our audit for a variety of reasons. Our approach is to define the scope of the request in as much detail as possible, evaluate whether the requested services maintain our independence from the City, determine an

MCO IDENTIFIED ISSUES

MCO has noted no issues with requirements or provisions contained within the Announcement by the City.

approach to accomplish the request, estimate the level of professional expertise involved, and estimate the cost. We then meet with the client to explain the approach and cost. During this phase, the client may alter the scope or suggest alternative approaches. We do not begin work until a negotiated scope and fee estimate is agreed upon. Hourly rates by position follow below:

| <u>Position</u> | <u>Hourly Rate</u> |
|----------------------|--------------------|
| Partner | \$ 200 |
| Manager | 175 |
| Senior Accountant | 125 |
| Staff Accountant | 100 |
| Administrative Staff | 80 |

APPENDIX A

RESUMES



Tonya Moffitt, CPA | Managing Partner

Ms. Moffitt is the Managing Partner of Merina & Company. Ms. Moffitt specializes in and has extensive experience performing and managing governmental audits. She is on the American Institute of CPA’s State and Local Government Expert Panel, Co-chair of the Accounting Standards and Review Committee for the Oregon Government Finance Officers Association (OGFOA), as well as a reviewer for the Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting awards program. Ms. Moffitt teaches various governmental classes for the AICPA, OGFOA, and OSCPA.

Ms. Moffitt is responsible for training new staff who assist in governmental and compliance audits. Ms. Moffitt created the firm’s financial statement, pension and OPEB templates, and is currently in charge of training numerous clients to use the template for financial statement preparation.

Tonya Moffitt, CPA

Master of Science in Financial Analysis
Portland State University

Licensed CPA in: Oregon #11063
Oregon Municipal #1392
Washington #37459
Hawaii #4886

American Institute of Certified Public Accountants
State and Local Government Expert Panel

Oregon Society of Certified Public Accountants:

- Previously on Board of Directors
- Governmental Accounting and Auditing Strategic Committee Past Chair
- Leadership Development Committee Pas Chair
- Uniform Guidance Task Force Past Chair
- CARES/COVID-19 Subcommittee Chair

Forward Stride Equine Program
Finance Committee Member
and Prior Chair of the Board of Directors

GFOA Certificate of Excellence in Financial Reporting Award
Program Reviewer

Portland State University
Accounting Advisory Board

RELEVANT EXPERIENCE

- + City of West Linn
- + City of Klamath Falls
- + City of The Dalles
- + City of Happy Valley
- + City of Oregon City
- + State of Hawaii
- + City of McMinnville
- + City of Sandy
- + City of Wilsonville
- + City of Astoria
- + City of Tualatin
- + City of Gladstone
- + City of Milwaukie
- + Association of Oregon Counties
- + Oregon Department of Veterans Affairs
- + Common School Fund of the State Oregon



Danielle Groves, CPA, CFE | Partner

Danielle has worked in public accounting for eleven years and in advisory services for four years. Danielle was previously a Senior Associate with KPMG, LLP’s Advisory Practice performing compliance and performance assessments and internal controls reviews for various clients.

As a Merina+Co partner, she is responsible for providing our government clients with assurance and advisory services including financial assessments, compliance reviews, program specific audits and assessments, internal controls reviews, and rate consulting for state agencies, cities, and special districts. Danielle also trains all new team members who assist on governmental, single, and compliance audits and supervises interns.

Danielle’s extensive understanding of government operations coupled with her ability to thoroughly identify and explain specific opportunities for improvement, ensure our clients receive, beneficial, implementable recommendations. She is focused on ensuring you receive value in all aspects of our engagements.

Danielle Groves, CPA, CFE Partner

Bachelor of Arts - Accounting
Oregon State University

Bachelor of Arts - Education
Oregon State University

Licensed CPA in: Oregon #12314

Certified Fraud Examiner

American Institute of Certified
Public Accountants

Oregon Society of Certified
Public Accountants

Association of Certified Fraud
Examiners

RELEVANT EXPERIENCE

- + City of West Linn
- + City of Tualatin
- + City of Gladstone
- + City of McMinnville
- + City of Astoria
- + Oregon Secretary of State
- + Washington County
Solid Waste
- + City of Wilsonville
- + City of Sandy
- + City of Happy Valley
- + City of The Dalles
- + City of Oregon City
- + Linn County Rate Review
- + City of Portland
Solid Waste

APPENDIX B

SAMPLE SINGLE AUDIT REPORTS

**CITY OF ASTORIA, OREGON
SINGLE AUDIT REPORT**

FOR THE YEAR ENDED JUNE 30, 2020



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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and City Council
City of Astoria, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Astoria, Oregon as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Astoria, Oregon’s basic financial statements, and have issued our report thereon dated December 28, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Astoria, 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 Astoria, Oregon’s internal control. Accordingly, we do not express an opinion on the effectiveness of City of Astoria, 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 a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Astoria, Oregon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina+Co
Tualatin, Oregon
December 28, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
THE MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
THE UNIFORM GUIDANCE**

Honorable Mayor and City Council
City of Astoria, Oregon

Report on Compliance for the Major Federal Program

We have audited the City of Astoria, Oregon's compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the City of Astoria, Oregon's major federal program for the year ended June 30, 2020. City of Astoria, Oregon's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Astoria, Oregon's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Astoria, Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City of Astoria, Oregon's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Astoria, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City of Astoria, Oregon, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Astoria, Oregon's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Astoria, Oregon's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Astoria, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Astoria, Oregon's basic financial statements. We issued our report thereon dated December 28, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly

to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



For Merina+Co
Tualatin, Oregon
December 28, 2020

CITY OF ASTORIA, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | Federal CFDA Number | Agency or Pass-through Number | Federal Expenditures |
|--|---------------------------|-------------------------------------|-------------------------|
| <u>State of Oregon - CARES Act</u> | | | |
| Subrecipient of Federal Funds under CARES Act | 21.019 | #1038 | \$ 122,430 |
| <u>US Department of the Interior - National Parks Services</u> | | | |
| Certified Local Governmet - SHPO OR-20-02 | 15.904 | OR-20-02 | 27,854 |
| <u>US Department of Commerce - National Oceanic and Atmospheric Administration (NOAA)</u> | | | |
| Costal Zone Management | 11.419 | TA- 309-17-003 | 10,698 |
| <u>ODOT - Federal Highway Planning Construction (Title 23)</u> | | | |
| Waterfront Bridge Project (6th - 11th Streets) | 20.205 | 32596 | 4,843,597 |
| OR2020 Sidewalk | 20.205 | 33322 | 135,258 |
| Subtotal highway planning and construction program | | | 4,978,855 * |
| <u>US Department of Housing and Urban Development</u> | | | |
| Community Development Block Grant Program (H17014) | 14.228 | OBDD | 28,658 |
| <u>Institute of Museum and Library Services</u> | | | |
| LG-27-19-0187-19 Accelerating Promising Practices for Small Libraries | 45.312 | LG-27-19-0187-19 | 16,058 |
| <u>Department of Justice</u> | | | |
| 2019 Bulletproof Vest Program | 16.607 | BJA | 2,271 |
| Grand Total | | | \$ 5,186,824 |

* Denotes major program

See Notes to the Schedule of Expenditures of Federal Awards

CITY OF ASTORIA, OREGON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

Note 1. General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the City of Astoria, Oregon for the year ended June 30, 2020.

Note 2. Significant Accounting Policies

Reporting Entity: The reporting entity is fully described in Note 1 to the City's basic financial statements.

Basis of Presentation: The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

For new awards or modifications of existing awards after December 26, 2014, the expenditures reported in the Schedule follow the cost principles contained in the Uniform Guidance. For existing awards prior to December 26, 2014, the expenditures follow the cost principles contained in OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The costs principles indicate that certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

Note 3. Indirect Cost Rate

The City did not elect to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 4. Subrecipients

There were no amounts paid to subrecipients by the City from federal funds for the year ended June 30, 2020.

CITY OF ASTORIA, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiency(s) identified that are not considered to be material weaknesses?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal Control over major federal programs:

Material weakness(es) identified?

Yes No

Significant deficiency (s) identified that are Not considered to be material weaknesses?

Yes None reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

Yes No

Identification of Major Federal Programs:

| | |
|---------------------------|--|
| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
| 20.205 | Highway Planning and Construction |

Dollar threshold used to distinguish between Type A Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

**CITY OF ASTORIA, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020**

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None

**Section IV – Schedule of Prior Federal Award Findings and Questioned Costs for the Years
Ended June 30, 2019**

None

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**CITY OF KLAMATH FALLS, OREGON
SINGLE AUDIT REPORT**

FOR THE YEAR ENDED JUNE 30, 2020



**City of Klamath Falls, Oregon
Single Audit Report**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and City Council
City of Klamath Falls, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Klamath Falls, Oregon as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Klamath Falls, Oregon's basic financial statements, and have issued our report thereon dated November 25, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Klamath Falls, 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 Klamath Falls, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Klamath Falls, 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 a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Klamath Falls, Oregon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina+Co
Tualatin, Oregon
November 25, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
THE MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
THE UNIFORM GUIDANCE**

Honorable Mayor and City Council
City of Klamath Falls, Oregon

Report on Compliance for the Major Federal Program

We have audited the City of Klamath Falls, Oregon's compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the City of Klamath Falls, Oregon's major federal program for the year ended June 30, 2020. City of Klamath Falls, Oregon's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Klamath Falls, Oregon's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Klamath Falls, Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City of Klamath Falls, Oregon's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Klamath Falls, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City of Klamath Falls, Oregon, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Klamath Falls, Oregon's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Klamath Falls, Oregon's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Klamath Falls, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Klamath Falls, Oregon's basic financial statements. We issued our report thereon dated November 25, 2020, which contained unmodified opinions on those financial statements. Our audit was

conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



For Merina+Co
Tualatin, Oregon
November 25, 2020

CITY OF KLAMATH FALLS, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

| Federal Grantor/Pass-through Grantor/ Program Title | Federal CFDA Number | Pass-through Number | Federal Expenditures | Cash Basis Receipts |
|---|---------------------------|------------------------|-------------------------|---------------------------|
| U.S. Department of Transportation | | | | |
| Direct program | | | | |
| Airport Improvement Program | * | 20.106 | \$ 6,358,550 | \$ 4,848,298 |
| Pass-through program from State of Oregon | | | | |
| Highway Planning and Construction | 20.205 | 28481 | 166,132 | 166,132 |
| Sub-Total Department of Transportation | | | <u>6,524,682</u> | <u>5,014,430</u> |
| U.S. Environmental Protection Agency | | | | |
| Direct program | | | | |
| Brownfields Assessment and Cleanup Cooperative Agreements | 66.818 | Direct | 55,617 | 57,794 |
| Pass-through program from State of Oregon | | | | |
| DEQ Clean Water State Revolving Funds | 66.458 | R52602 | 644,525 | 644,525 |
| Sub-Total Environmental Protection Agency | | | <u>700,142</u> | <u>702,319</u> |
| U.S. Department of Defense | | | | |
| Direct program | | | | |
| Community Economic Adjustment Assistance for Reductions in Defense Spending | 12.604 | Direct | 52,304 | 90,509 |
| Direct program | | | | |
| Military Construction Cooperative Agreement | 12.400 | Direct | 158,286 | 158,286 |
| Sub-Total Department of Defense | | | <u>210,590</u> | <u>248,795</u> |
| U.S. Department of Justice | | | | |
| Direct Program | | | | |
| Bulletproof Vest Partnership Program | 16.607 | Direct | 2,660 | 2,660 |
| Direct program | | | | |
| Equitable Sharing Program | 16.922 | Direct | 11,809 | 11,809 |
| Direct program | | | | |
| Coronavirus Emergency Supplemental Funding | 16.034 | Direct | 37,874 | - |
| Sub-Total Department of Justice | | | <u>52,343</u> | <u>14,469</u> |
| U.S. Department of Treasury | | | | |
| Direct program | | | | |
| CARES - Aviation | 21.018 | Direct | 69,000 | 69,000 |
| Pass-through program from State of Oregon | | | | |
| Coronavirus Relief Funds | 21.019 | 1080 | 76,908 | 9,422 |
| Sub-Total Department of Treasury | | | <u>145,908</u> | <u>78,422</u> |
| U.S. General Services Administration | | | | |
| Direct program | | | | |
| Federal Surplus Personal Property | 39.003 | Direct | 17 | 17 |
| U.S. Department of Homeland Security | | | | |
| Direct program | | | | |
| Homeland Security Grant Program | 97.067 | Direct | 1,745 | 1,745 |
| Pass-through program from State of Oregon | | | | |
| Homeland Security Preparedness Technical Assistance Program | 97.007 | 18-228 | 60,000 | 60,000 |
| Sub-Total Department of Homeland Security | | | <u>61,745</u> | <u>61,745</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 7,695,427</u> | <u>\$ 6,120,197</u> |

* Denotes Major Program

See the notes to the Schedule of Expenditures of Federal Awards

CITY OF KLAMATH FALLS, OREGON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

Note 1. General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the City of Klamath Falls, Oregon for the year ended June 30, 2020.

Note 2. Significant Accounting Policies

Reporting Entity: The reporting entity is fully described in Note 1 to the City's basic financial statements.

Basis of Presentation: The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

For new awards or modifications of existing awards after December 26, 2014, the expenditures reported in the Schedule follow the cost principles contained in the Uniform Guidance. For existing awards prior to December 26, 2014, the expenditures follow the cost principles contained in OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The costs principles indicate that certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

Note 3. Indirect Cost Rate

The City did not elect to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 4. Subrecipients

There were no amounts paid to subrecipients by the City from federal funds for the year ended June 30, 2020.

CITY OF KLAMATH FALLS, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiency(s) identified that are not considered to be material weaknesses?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal Control over major federal programs:

Material weakness(es) identified?

Yes No

Significant deficiency (s) identified that are Not considered to be material weaknesses?

Yes None reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

Yes No

Identification of Major Federal Programs:

| | |
|---------------------------|--|
| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
| 20.106 | Airport Improvement Program |

Dollar threshold used to distinguish between Type A Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

CITY OF KLAMATH FALLS, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None

Section IV – Schedule of Prior Federal Award Findings and Questioned Costs for the Years Ended June 30, 2019

None

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APPENDIX C

SAMPLE MUNICIPAL AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Klamath Falls, 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 Klamath Falls, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Klamath Falls' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Klamath Falls, as of June 30, 2020, 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.

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, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share – retirement health insurance account, schedule of contributions – retirement health insurance account, schedule of OPEB contributions – implicit rate subsidy plan, schedule of the proportionate share of the net pension liability, and schedule of pension contributions, 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 schedules 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.

Supplemental and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Klamath Falls' basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of compliance with the rate covenants of the wastewater revenue refunding bonds, series 2015 is presented for purposes of additional analysis as required by the rate covenants of the 2015 series wastewater revenue refunding bonds and is also not a required part of the basic financial statements.

The other supplementary information and schedule of compliance with the rate covenants of the wastewater revenue refunding bonds, series 2015, as listed in the table of contents, are 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 and statistical sections have 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 them.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2020 on our consideration of City of Klamath Falls' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Klamath Falls' internal control over financial reporting or on compliance. That report is issued separately and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Klamath Falls' internal control over financial reporting and compliance.

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 November 25, 2020, on our consideration of City of Klamath Falls' 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+Co
Tualatin, Oregon
November 25, 2020

APPENDIX D

SAMPLE MANAGEMENT LETTERS

December 28, 2020

To the Honorable Mayor and City Council
City of Astoria, 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 Astoria, Oregon as of and for the year ended June 30, 2020, and have issued our report thereon dated December 28, 2020. 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 August 24, 2020, our responsibility, as described by professional standards, is to form and express an opinion(s) 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 and *Government Auditing Standards* and the Uniform Guidance. 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 City of Astoria 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 Astoria is included in Note 1 to the financial statements. As described in Note 4 to the financial statements, the City of Astoria implemented one new accounting pronouncement issued by the Governmental Accounting Standards Board (GASB). Those pronouncements include:

- GASB Statement No. 95 Postponement of the Effective Dates of Certain Authoritative Guidance

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 allowance for doubtful accounts is based on a percentage of total receivables.

Management's estimate of other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount determined by an actuary.

Management's estimate of the net pension liability is 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 Astoria's financial statements relate to:

The disclosure of Capital Assets and Debt in Note 3 to the financial statements summarizes the changes in capital assets and debt for the year ended June 30, 2020.

The disclosure of the City's Pension Plan in Note 4 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.

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 City of Astoria'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 December 28, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of Astoria, 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 Astoria's auditors.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions pension, schedule of proportionate share of OPEB liability (RHIA), schedule of contributions OPEB (RHIA), schedule of changes in total OPEB liability and related ratios (implicit rate subsidy), and schedule of contributions OPEB (implicit rate subsidy plan) which are required supplementary information (RSI) 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, schedule of the proportionate share of the net pension liability, schedule of contributions pension, schedule of proportionate share of OPEB liability (RHIA), schedule of contributions OPEB (RHIA), schedule of changes in total OPEB liability and related ratios, and schedule of contributions OPEB (implicit rate subsidy plan) and do not express an opinion or provide any assurance on this information.

We were engaged to report on the budgetary comparison schedules, 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.

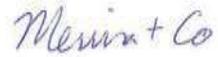
We were engaged to report on the supplementary information, as listed in the table of contents, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the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

Respectfully,

A handwritten signature in blue ink that reads "Merina+Co". The signature is written in a cursive, flowing style.

Merina+Co
Tualatin, Oregon
Focused on Your Wants and Understanding Your Needs

November 25, 2020

To the Honorable Mayor and City Council
City of Klamath Falls, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Klamath Falls, Oregon as of and for the year ended June 30, 2020, and have issued our report thereon dated November 25, 2020. 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 31, 2020, our responsibility, as described by professional standards, is to form and express an opinion(s) 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 and, if applicable, *Government Auditing Standards* and the Uniform Guidance. 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 Klamath Falls 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 the City of Klamath Falls 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 2020. 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.

The most sensitive accounting estimates affecting the financial statements are depreciation, compensated absences payable, net other postemployment benefits (OPEB) asset and liability, net pension liability, and allowance for doubtful accounts:

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 acquisition value.

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

Management's estimate of the allowance for doubtful accounts is based on a percentage of total receivables.

Management's estimate of the net pension liability and (OPEB) asset and liability are calculated based on information 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 the City of Klamath Falls' financial statements relate to:

The disclosure of Capital Assets in Note 3 (D) and Long-Term Liabilities in Note 3 (J) to the financial statements summarizes the changes in capital assets and long-term liabilities for the year ended June 30, 2020.

The disclosure of Cash, Cash Equivalents, & Investments in Note 3 (A) to the financial statements describes the City's various investments for the year ended June 30, 2020.

The disclosure of Pension Plan in Note 3 (E) to the financial statements describes the City's various pension plan information for the year ended June 30, 2020.

The disclosure of the City's OPEB Plan in Notes 3 (F) 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 for the year ended June 30, 2020.

Identified or Suspected Fraud

We have identified or have obtained information that indicates that the following fraud may have occurred.

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 misstatement 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 City of Klamath Falls' 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 November 25, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of Klamath Falls, 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 City of Klamath Falls' auditors.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share – retirement health insurance account, schedule of contributions – retirement health insurance account, schedule of OPEB contributions – implicit rate subsidy plan, schedule of the proportionate share of the net pension liability, and schedule of pension contributions 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, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share – retirement health insurance account, schedule of contributions – retirement health insurance account, schedule of OPEB contributions – implicit rate subsidy plan, schedule of the proportionate share of the net pension liability, and schedule of pension contributions and do not express an opinion or provide any assurance on this information.

We were engaged to report on the schedules of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under RSI, which are 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.

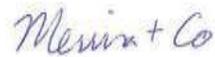
We were engaged to report on the other supplementary information, as listed in the table of contents, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing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

Respectfully,

A handwritten signature in blue ink that reads "Merina+Co".

Merina+Co
Tualatin, Oregon

Focused on Your Wants and Understanding Your Needs

APPENDIX E
NOT TO EXCEED PRICE PROPOSAL FOR
PROPOSED SERVICE SCHEDULE

a. Not to Exceed Price for Proposed Service Schedule

In accordance with the Request for Proposals for Professional Auditing Services issued by the City of West Linn, Oregon, the firm referenced below submits the following hourly fee quotation and hours proposed for all positions to be assigned to the audit:

| Key Personnel | Fiscal Year Ended June 30, 2021 | | | | |
|------------------------|---------------------------------|--------------------|-------------|-------------|----------|
| | F/S Audit Hours | Single Audit Hours | Total Hours | Hourly Rate | Total |
| Engagement Partners | 36 | 5 | 41 | \$ 200 | \$ 8,200 |
| Engagement Manager | 72 | 5 | 77 | 150 | 11,550 |
| Engagement Senior | 108 | 25 | 133 | 125 | 16,625 |
| Engagement Staff | 126 | 14 | 140 | 95 | 13,300 |
| Clerical/Support Staff | 18 | 1 | 19 | 60 | 1,140 |
| Other /Discount | | | | | (815) |

In accordance with the Request for Proposals for Professional Auditing Services issued by the City of West Linn, Oregon, the firm referenced below submits the following cost proposal:

| | Fiscal Years Ending June 30th, | | | | |
|-----------------------------------|--------------------------------|------------------|------------------|------------------|------------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Financial Statement Audit: | \$ 45,000 | \$ 46,350 | \$ 47,700 | \$ 49,150 | \$ 50,650 |
| Single Audit: | 5,000 | 5,150 | 5,300 | 5,475 | 5,650 |
| Cost of Supplies & Materials: | Included | Included | Included | Included | Included |
| Additional Fees (if applicable)*: | na | na | na | na | na |
| Total | \$ 50,000 | \$ 51,500 | \$ 53,000 | \$ 54,625 | \$ 56,300 |

*The City of West Linn expects to receive technical assistance, as needed, from the audit firm throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. If fees related to this technical assistance are not included in the firm's financial statement audit fee, please include them here.

I hereby certify that the undersigned is authorized to represent the firm stated below, and empowered to submit this bid, and if selected, authorized to sign a contract with the City of West Linn, for the services identified in the RFP.

Firm Name: Merina+Co

Signature: 

Printed Name: Tonya Moffitt

Title: Managing Partner

Date: February 17, 2021

Email Address: tmoffitt@merina.com

APPENDIX F
SCHEDULE OF EXPECTED HOURS
2022 - 2025

Schedule of Expected Hours 2022 - 2025



Fiscal Year Ended June 30, 2022

| Key Personnel | F/S Audit | | Total Hours |
|--------------------|------------|----------------------------|-------------|
| | Hours | Single Audit: ¹ | |
| Engagement Partner | 34 | 5 | 39 |
| Engagement Manager | 70 | 5 | 75 |
| Engagement Senior | 105 | 25 | 130 |
| Engagement Staff | 123 | 14 | 137 |
| Support Staff | 18 | 1 | 19 |
| Total | 350 | 50 | 400 |

¹Assumes a single major program

Fiscal Year Ended June 30, 2023

| Key Personnel | F/S Audit | | Total Hours |
|--------------------|------------|----------------------------|-------------|
| | Hours | Single Audit: ¹ | |
| Engagement Partner | 34 | 5 | 39 |
| Engagement Manager | 70 | 5 | 75 |
| Engagement Senior | 105 | 25 | 130 |
| Engagement Staff | 123 | 14 | 137 |
| Support Staff | 18 | 1 | 19 |
| Total | 350 | 50 | 400 |

¹Assumes a single major program

Fiscal Year Ended June 30, 2024

| Key Personnel | F/S Audit | | Total Hours |
|--------------------|------------|----------------------------|-------------|
| | Hours | Single Audit: ¹ | |
| Engagement Partner | 34 | 5 | 39 |
| Engagement Manager | 70 | 5 | 75 |
| Engagement Senior | 105 | 25 | 130 |
| Engagement Staff | 123 | 14 | 137 |
| Support Staff | 18 | 1 | 19 |
| Total | 350 | 50 | 400 |

¹Assumes a single major program

Fiscal Year Ended June 30, 2025

| Key Personnel | F/S Audit | | Total Hours |
|--------------------|------------|----------------------------|-------------|
| | Hours | Single Audit: ¹ | |
| Engagement Partner | 34 | 5 | 39 |
| Engagement Manager | 70 | 5 | 75 |
| Engagement Senior | 105 | 25 | 130 |
| Engagement Staff | 123 | 14 | 137 |
| Support Staff | 18 | 1 | 19 |
| Total | 350 | 50 | 400 |

¹Assumes a single major program

**DECLARATION OF EMERGENCY EXTENSION
CITY OF WEST LINN, OREGON**

WHEREAS, the City of West Linn has enacted a local Ordinance (West Linn Municipal Code Section 2.700 et seq.) pursuant to the authority granted by ORS Chapter 401 granting City Council to authority to declare a local state of emergency; and

WHEREAS, the following conditions have resulted in the need for a state of emergency:

On March 8, 2020, the Governor of the State of Oregon declared a statewide emergency due to COVID-19 under ORS 401.025(1) and requested all Oregonians to help in facing this challenge.

WHEREAS, the following damage to life and property can be expected from the above conditions:

COVID-19 is an emerging disease and requires a great deal of resources at the local level for response in order to keep the public informed and safe as possible. Resources related to contact tracing, disease investigation, community information and funding are expected to be exhausted.

WHEREAS, on January 31, 2020, the Secretary of the U.S. Department of Health and Human Services declared a public health emergency for the United States; and

WHEREAS, on March 2, 2020, Clackamas County, acting as an emergency management agency under ORS 401.305 and Clackamas County Code Chapter 6.03, declared a local state of emergency and declared emergency measures; and

WHEREAS, on March 11, 2020 the World Health Organization declared the COVID-19 outbreak a pandemic; and

WHEREAS, a declaration of state of emergency is necessary to ensure the City of West Linn has the appropriate resources to respond to COVID-19 public health emergency; and

WHEREAS, ORS 401.309 authorizes certain actions to be taken during a state of emergency when necessary for public safety or for the efficient conduct of activities to minimize or mitigate the effects of the emergency; and

WHEREAS, all local resources have, or will likely be, expended, and there is a need of the following additional resources from the State:

Assistance regarding consistent messages to the public and disease investigation.

WHEREAS, on March 19, 2020, the City Council of West Linn declared a state of emergency for the entire city of West Linn; and

WHEREAS, on April 20, 2020, the City Council of West Linn extended the state of emergency, declaring it shall remain in effect until May 31, 2020, unless sooner terminated by City Council; and

WHEREAS, on May 1, 2020, the Governor extended the state of emergency due to the continued threat for public health and safety from COVID-19 for additional 60 days, through July 6, 2020; and

WHEREAS, on May 18, 2020, the City Council of West Linn extended the state of emergency, declaring it shall remain in effect until June 30, 2020, unless sooner terminated by City Council; and

WHEREAS, on June 30, 2020, the Governor extended the state of emergency due to the continued threat for public health and safety from COVID-19 for additional 60 days, through September 4, 2020; and

WHEREAS, on July 6, 2020, the City Council of West Linn extended the state of emergency, declaring it shall remain in effect until September 14, 2020, unless sooner terminated by City Council; and

WHEREAS, on September 1, 2020, the Governor extended the state of emergency due to the continued threat for public health and safety from COVID-19 for an additional 60 days, through November 3, 2020; and

WHEREAS, on September 14, 2020, the City Council of West Linn extended the state of emergency, declaring it shall remain in effect until November 9, 2020, unless sooner terminated by City Council; and

WHEREAS, on October 27, 2020, the Governor extended the state of emergency due to the continued threat for public health and safety from COVID-19 for an additional 60 days, through January 2, 2021; and

WHEREAS, on November 9, 2020, the City Council of West Linn extended the state of emergency, declaring it shall remain in effect until January 11, 2021, unless sooner terminated by City Council;

WHEREAS, on December 17, 2020, the Governor extended the state of emergency due to the continued threat for public health and safety from COVID-19 for an additional 60 days, through March 3, 2021;

WHEREAS, on, January 8, 2021, the City Council of West Linn extended the state of emergency, declaring it shall remain in effect until March 8, 2021, unless sooner terminated by City Council;

WHEREAS, on February 25, 2021, the Governor extended the state of emergency due to the continued threat for public health and safety from COVID-19 for an additional 60 days, through May 2, 2021;

NOW, THEREFORE, BE IT DECLARED BY THE CITY COUNCIL OF THE CITY OF WEST LINN:

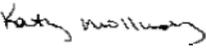
1. A state of emergency for the entire City of West Linn is extended and shall remain in effect until May 10, 2021, unless sooner terminated by the City Council, and may be further extended by the City Council if the conditions for the public health emergency continue to exist.
2. The City Manager remains empowered to carry out the appropriate functions and duties identified in Municipal Code 2.700 *Emergency Planning* during times of emergency and shall implement the Emergency Operations Plan.
3. The City Manager shall take all necessary steps authorized by law to coordinate response and recovery from this emergency, including, but not limited to, requesting public assistance from United States of America federal government as authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as Amended (Stafford Act), Title 42 of the United States Code (U.S.C.) § 5121 et seq., the State of Oregon and Clackamas County.
4. The following measures are necessary, or may become necessary as determined for public safety or for the efficient conduct of activities to minimize or mitigate the effects of the emergency:
 - Commit to mutual aid agreements;
 - Redirect funds for emergency use;
 - Order such other measures as are found to be immediately necessary for the protection of life and/or property.

DATED THIS 8TH DAY OF MARCH, 2021.



JULES WALTERS, MAYOR

ATTEST:



KATHY MOLLUSKY, CITY RECORDER

APPROVED AS TO FORM:



CITY ATTORNEY

**West Linn Project Tracking List
2/24/2021**

| | A | B | C | D | E | G | H |
|----|---------------------------|---|--|-----------|-------------------------|--|---|
| 1 | Date | Project/Department | Description of Task | Deadline | Assigned to | Contact | Notes |
| 2 | Immediate Priority | | | | | | |
| 3 | 4/3/2019 36808 | 19145 View Drive | Negotiate driveway contract, draft contract for Matton Excavation, negotiate deposit/estimate. | | Tim Ramis | Morgan Coffie, Lance Calvert | Tim to prepare letter to their attorney. |
| 4 | 9/24/2019 36842 | Bolton Firehouse | Asking staff to compile information if Bolton Firehouse can be repaired to operate in similar fashion as Sunset Firehouse. | | Tim Ramis | City Council | Email request 9/24/19 |
| 5 | 12/9/2019 36839 | Legal Review WLMC 8.050 | Review Public Improvement Ordinance | 12/31/19 | Tim Ramis | Amy Pepper | Scheduled to go before Council May 2020. Last update 3/3/2020 |
| 6 | 12/19/2019 36845? | Facility Use Agreements | Discuss facility use agreements and decision on funding for the buildings. | | Tim Ramis | John Williams, Ken Warner, Dylan Digby | Last update 3/31/2020 (same as FORS or is this diff, like a template for multiple buildings?) |
| 7 | 1/22/2019 36845 | Cedar Island Dredging Cedar Oak Boat Ramp | Map review and memorandum of understanding. | | Tim Ramis/Matthew Kahl | Ken Warner | Last update 11/12/2020 |
| 8 | 2/26/2020 39479 | Alarm Permit Ordinance & Master Fee Schedule | Can the city add verbiage to fee schedule that sets penalty for not paying false alarm charge on time? | | Tim Ramis/Matthew Kahl | Shane Boyle | Last update 11/10/2020 |
| 9 | 3/2/2020 36842 | Amendments to Historic City Hall Letter of Commitment | Review, amend or create new LOC. Specifically section 2 & 3. 7/16/2020 request for parking lease agreement template to go with LOC. | 6/12/2020 | Tim Ramis/Bill Monahan | John Williams | Last update 11/18/2020 |
| 10 | 4/6/2020 36844 | Zoning Violation 1435 Rosemont Road | Resident violating zoning code, discuss options. | | Tim Ramis/Matthew Kahl | Cole Bateman, Chris Myers, John Millar | Last update 12/30/2020 |
| 11 | 4/10/2020 36839 | Closure Youth Music Project Driveway | Review YMP's concerns and try to find solutions to mitigate negative impacts on YMP's property. | | Tim Ramis/Matthew Kahl | Lance Calvert | Last update 11/9/2020 |
| 12 | 4/17/2020 36839 | West Linn Central Village | Review request regarding Post Office, applicant proposing two options for design review application. City recommends coordinating with the Neighborhood Association. | | Tim Ramis | Jennifer Arnold | Last update 4/20/2020 |
| 13 | 5/5/2020 36839 | Chene Blanc Construction Start | Construction starting and official notice was not provided, in addition to list of outstanding items. City Council Appeal hearing 10/12/2020. | | Tim Ramis | Amy Pepper | Last update 10/20/2020 |
| 14 | 5/1/2020 36844 | Possible Tort Claim | Demand letter to WLDP regarding stolen legal document. | | Tim Ramis | Peter Mahuna | Last update 5/5/2020 |
| 15 | 5/7/2020 36839 | Permit issue | Change to driveway in SONA, permit issued 1/21/2020, original land use decision approved in 2015, location on flagpole not allowed. | | Tim Ramis | Jennifer Arnold Amy Pepper | Last update 5/26/2020 |
| 16 | 5/29/2020 36808 | Release of Liability | Review documents and prepare letter to Icon regarding footings in ROW and pouring new sidewalk. | | Tim Ramis/Matthew Kahl | Morgan Coffie | Last update 6/3/2020 |
| 17 | 6/4/2020 36845 36838 | Dangerous Alder Tree | Citizen notification of dangerous tree, what are necessary steps in situation? HOA owns tree in green space. | | Tim Ramis/Kelly Burgess | Dylan Digby Ken Warner | Last update 6/5/2020 |

**West Linn Project Tracking List
2/24/2021**

| | A | B | C | D | E | G | H |
|----|-----------------------|--|--|-----------|--|----------------------------------|---------------------------------------|
| 1 | Date | Project/Department | Description of Task | Deadline | Assigned to | Contact | Notes |
| 18 | 6/11/2020 36845 | Release of Liability/Waiver | Create document to be utilized by outside groups that wish to use city facilities (fields, picnic shelters, rooms etc.) | | Tim Ramis/Matthew Kahl | Ken Warner | Last update 7/31/2020 |
| 19 | 6/22/2020 36839 | ROW Vacation | ROW Vacation MISC 20-03, what steps needed to bring before Council for a vote? | | Tim Ramis | Chris Myers | Last update 6/26/2020 |
| 20 | 7/1/2020 36808 | Legal Opinion Franchise Obligation | Review on whether Centurylink is required to pay for relocation of lines from aerial to underground per franchise agreement. | | Tim Ramis/Bill Monahan | Morgan Coffie Erich Lais | Last update 7/21/2020 |
| 21 | 7/10/2020 36839 | 2196 Tannler Drive | Discuss memo regarding amendment to approval. | | Tim Ramis | Jennifer Arnold Amy Pepper | Last update 8/27/2020 |
| 22 | 7/14/2020 36839 | SUB 20-01 Street Alternative | Review email from Peter Watts and assist with response. | | Tim Ramis | Jennifer Arnold | Email received 7/14/2020 |
| 23 | 7/16/2020 36842 | Local Govt Brief Freedom for All Americans | Confirm signature block for Tim Ramis, draft brief will be emailed for review next week. | | Tim Ramis/Kelly Burgess | Russ Axelrod John Williams | Last update 8/4/2020 |
| 24 | 7/28/2020 36838 | Philip Meier Tort Claim | Tort Claim regarding use of Roundup. | | Tim Ramis/Kelly Burgess | Lauren Breithaupt | Last update 10/6/2020 |
| 25 | 8/5/2020 36839 | The Marylhurst School Off Site Improvements | Proposal, subject to agreement, letter of credit draw down system to address financing construction of off site improvements. | | Tim Ramis | Amy Pepper | Last update 2/9/2021 Complete? |
| 26 | 8/7/2020 36845 | 22995 Bland Circle ROW | ROW Vacation done previously, what needs to occur to allow the vacation to go to other property owner? | | Tim Ramis/Matthew Kahl | Ken Warner | Request received 8/7/2020 |
| 27 | 9/1/2020 36841 | Historic City Hall Agreement WFLHAC Bond Proceeds | City seeks direction regarding amount of funds the city can allocate to the project. | | Tim Ramis/Bill Monahan/Matthew Kahl | Lauren Breithaupt | Last update 2/9/2021 |
| 28 | 9/10/2020 36841 | Reilly v. Metro Subpoena | Assist with response to subpoena for documents relating to franchised residential solid waste garbage hauler. | | Tim Ramis/Kelly Burgess | Kathy Mollusky Lauren Breithaupt | Last update 10/2/2020 |
| 29 | 9/14/2020 36837 | Complaint or Political Statement | Review video of City Council meeting to see what was said. | | Tim Ramis/Kelly Burgess | Elissa Preston | Last update 9/15/2020 |
| 30 | 9/22/2020 36844 | Task Force | Assist with developing policies and reform. | | Tim Ramis/Shannon Lee Erskine/Matthew Kahl/Kelly Burgess | Jerry Gabrielatos | Last update 10/1/2020 |
| 31 | 10/5/2020 36838 | Tort Claim Notice - Tony Reeves | Tort claim notice and preservation letter received. | | Tim Ramis/Kelly Burgess | Jerry Gabrielatos | Last update 10/6/2020 |
| 32 | 10/5/2020 36808 | Council Call Up | Possible stop work order for driveway. | | Tim Ramis | John Williams Darren Wyss | Last update 10/6/2020 |
| 33 | 10/8/2020 36842 | Agreement for Event Funding | Prepare memorandum of agreement for city funding of events by an outside organization. | 1.5 weeks | Tim Ramis/Matthew Kahl | Jerry Gabrielatos | Last update 10/9/2020 |
| 34 | 10/21/2020 36837 | Renewed Harassment Complaint | Tom Meier email complaint. | | Tim Ramis | Elissa Preston Jerry Gabrielatos | Last update 10/22/2020 |

**West Linn Project Tracking List
2/24/2021**

| | A | B | C | D | E | G | H |
|----|----------------------|--|--|----------|--------------------------------------|---|------------------------------------|
| 1 | Date | Project/Department | Description of Task | Deadline | Assigned to | Contact | Notes |
| 35 | 10/22/2020 36837 | Ethics Complaint | Tom Meier ethics complaint to Metro and City via online submittals. Complaints are against Ken Warner, Mayor Axelrod and Councilor Walters, alleging discrimination against his religious and political beliefs. | | Tim Ramis | Elissa Preston Jerry Gabrielatos | Last update 10/30/2020 |
| 36 | 10/30/2020 36808 | Development on Nonconforming Lot | Review information provided and determine if second parcel is legal lot of record or if platted configuration is what should be recognized. | | Tim Ramis/Matthew Kahl | Darren Wyss | Last update 11/10/2020 |
| 37 | 11/19/2020 36841 | LIBOR Green Pond Settlement | Review to see if city should submit information to get portion of settlement. | | Tim Ramis/Matthew Kahl | Lauren Breithaupt | Last update 12/1/2020 |
| 38 | 11/20/2020 39479 | RSM SOW Engagement Letter | Lewis Brisbois engagement letter, identify source of authority, possible assistance with drafting findings. | | Tim Ramis/Bill Monahan | Jerry Gabrielatos Shane Boyle | Last update 11/20/2020 |
| 39 | 12/2/2020 36842 | Public Discourse Memorandum | Draft script to recite before public comment explaining expectations. | | Tim Ramis/Kelly Burgess | City Council | Last update 12/7/2020 Complete? |
| 40 | 12/2/2020 78294 | OIR Group Report | Possible executive session to discuss releasing report; decision to be made in open session. | | Tim Ramis | City Council Jerry Gabrielatos | Report received 11/30/2020 |
| 41 | 12/4/2020 36842 | New Councilors | Request to schedule full debrief of all litigation and legal issues the City is currently involved in to bring new Council up to speed. | | Tim Ramis/Chris Dolan/Kelly Burgess | City Council Jerry Gabrielatos | Request received 12/4/2020 |
| 42 | 12/7/2020 36808 | Procurement Legal Review Lightship Master Services Agreement | Review agreement and subscription addendum for procurement of GIS based asset management system. | | Tim Ramis/Matthew Kahl | Morgan Coffie | Last update 1/6/2021 |
| 43 | 12/14/2020 36808 | Stormwater Maintenance Agreement Requirements | Legal approval needed to remove signature and notary certificate in an effort to streamline process. | | Tim Ramis/Matthew Kahl | Morgan Coffie | Last update 2/22/2021 |
| 44 | 12/16/2020 36839 | Building Permits and Substantial Completion HB 2306 | Status update question(s) on how the building department is responding to HB 2306. | | Tim Ramis/Matthew Kahl | Amy Pepper | Last update 01/22/2021 |
| 45 | 12/21/2020 36838 | ORS 30.275 Attachment | Tom Meier BOLI complaint/tort notice. | | Tim Ramis/Kelly Burgess | Elissa Preston | Last update 12/23/2020 |
| 46 | 1/4/2021 36844 | Police misconduct lawsuit | Complaint regarding police use of force and violation of the 4th amendment. Complainant has been trying to get accountability for almost a year. | | Tim Ramis | Chief Mahuna, Elissa Preston, Jerry Gabrielatos | Last update 1/6/2021 |
| 47 | 01/05/2021 36842 | Training Session | Training session - Oregon Land Use Law and Policy for planning commissioners and city councilors. | | Tim Ramis/Bill Monahan | Darren Wyss | Last update 1/6/2021 |
| 48 | 01/05/2021 36842 | Resign to Run Law | Review language mentioned in 1/4/2021 council meeting, format into ordinance and review city code on elections to see if ordinance might be an amendment to that section. | | Tim Ramis/Matthew Kahl/Kelly Burgess | City Council Jerry Gabrielatos | Last update 1/7/2021 |
| 49 | 01/06/2021 36845? | Questions on Behavior Policy | Library Advisory Board reviewing policy and looking to make adjustments based on recommendations. | | Bill Monahan | Doug Erickson | Last update 1/8/2021 |
| 50 | 01/12/2021 36839 | Land Use Hearing Script | Compress Council inquiry into one question. | | Tim Ramis/Kelly Burgess | Darren Wyss | Last update 1/13/2021 |
| 51 | 1/12/2021 39479? | Procurement Insurance Question | Can insurance attorney pay bills directly? | | Bill Monahan | Shane Boyle | Last update 2/2/2021 Complete? |
| 52 | 1/28/2021 36839 | Emergency Business Assistance Grants | Review proposal and a) any thoughts on it and b) heads up in case asked questions at City Council meeting. | | Tim Ramis | John Williams | Email request 1/28/2021 |

West Linn Project Tracking List
2/24/2021

| | A | B | C | D | E | G | H |
|----|-------------------------------------|--|---|----------|---------------------------|--------------------------------|---------------------------------|
| 1 | Date | Project/Department | Description of Task | Deadline | Assigned to | Contact | Notes |
| 53 | 1/28/2021 36808 | ROW License Ordinance | Review draft ordinance and code for ROW license program. | | Tim Ramis/Bill Monahan | Lance Calvert Morgan Coffie | Last update 2/3/2021 |
| 54 | 01/29/2021 36845 | Robinwood Station Renovation | Questions regarding next steps. | | Tim Ramis/Bill Monahan | Ken Warner | Last update 01/29/2021 |
| 55 | 2/4/2021 36842 | Questions and Concerns About Transparency | Was the City Council meeting on February 3 property noticed? | | Tim Ramis/Kelly Burgess | City Council | Last update 2/4/2021 |
| 56 | 2/5/2021 36845 | Touch Point ACTIVE Account Management | New account manager, please review redline from previous document from August 2020. | | Bill Monahan | Ken Warner | Last update 2/5/2021 |
| 57 | 2/5/2021 38639 | PC Trainings | Proposing monthly PC trainings using parts of COG presentation. | | Tim Ramis/Bill Monahan | Darren Wyss | Email request 2/5/2021 |
| 58 | 2/5/2021 36842 | Freedom of Information Act Request | Public Records Request to USPS to review records regarding Post Office in City closing, possibly permanently or relocating. | | Tim Ramis/Chris Dolan | City Council | Last update 2/19/2021 |
| 59 | 2/9/2021 36841 | Bond Counsel Discussion | Ken's email summarizes the questions that remain to be addressed by the City. | | Tim Ramis | Lauren Breithaupt | Last update 2/9/2021 |
| 60 | 2/9/2021 36841 | GASB 75 Reporting for FYE 2020 and 2021 | Review contract, City has done GASB 75 valuations in the past but did not have a formal contract. | | Tim Ramis | Lauren Breithaupt | Last update 2/11/2021 |
| 61 | 2/10/2021 36808 | AWIA Assessment Contract | City to hire consultant to do a water security assessment per AWIA, review contract changes if City can accept. | | Tim Ramis/Matthew Kahl | Morgan Coffie | Last update 2/12/2021 Complete? |
| 62 | 2/11/2021 36839 | Street Vacation Waiver Request | Request for a simple LID Waiver of Remonstrance form for public street improvements. | | Bill Monahan/Matthew Kahl | John Williams | Last update 2/12/2021 |
| 63 | 2/11/2021 36839 | WLWV Conflict Waiver | Jeff Condit has requested a conflict waiver so he can represent Wilsonville School District in regard to an IGA. | | Tim Ramis | John Williams | Last update 2/12/2021 |
| 64 | 2/16/2021 36844 | WLWV SRO Roles & Responsibilities | Review first draft of IGA with school district for SRO program. | | Tim Ramis/Bill Monahan | Chief Mahuna | Last update 2/18/2021 Complete? |
| 65 | 2/17/2021 78421 | Contractors/prevaling wage | Determine if emergency contractors helping with storm cleanup need to be paid prevailing wage. | | Tim Ramis/Matthew Kahl | Dylan Digby | Email request 2/17/2021 |
| 66 | 2/16/2021 36808 | ACWA Legal Committee Bond Concurrence | Follow Oregon City LUBA case for West Linn regarding the City's adoption of a new Stormwater Master Plan and Design Standards | | Tim Ramis/Ed Trompke | Amy Pepper | Last update 2/17/2021 |
| 67 | 2/19/2021 36844 | PSA for Phlebotomy Services - AMR | Review previous PSA with AMR and contract form, advise if City's contract from last time is preferred. | | Tim Ramis/Matthew Kahl | Toni Swanberg | Last update 2/23/2021 Complete? |
| 68 | | | | | | | |
| 69 | Ongoing / Specified Due Date | | | | | | |
| 70 | 3/7/2019 39479 | ROW Management / Small Cell | Review email from Shane Boyle, monitor code changes, develop PSA with ROW Consultants. | | Bill Monahan | Shane Boyle | Last update 11/18/2020 |
| 71 | 2/14/2114 | Bialostosky Public Records Litigation | Executive Session | | Tim Ramis, Chris Dolan | John Williams | Appealed to Court of Appeals. |
| 72 | 4/4/2019 36842 | Gramor / Post Office Property | Temporary stay demand? | | Tim Ramis | Russ Axelrod John Williams | |
| 73 | | Personal Service Agreement | Rework 2012 PSA | | Bill Monahan | John Williams | Complete per Bill 11/18/2020. |
| 74 | 8/20/2019 36842 | Neighborhood Associations and D&O Coverage | Are neighborhood associations agents of city and covered by city insurances? | | Tim Ramis | John Williams | Last update 12/9/19 |

West Linn Project Tracking List
2/24/2021

| | A | B | C | D | E | G | H |
|----|----------------------------------|---|---|----------|---------------------------------------|------------------------------|---|
| 1 | Date | Project/Department | Description of Task | Deadline | Assigned to | Contact | Notes |
| 75 | 9/20/2019 36842 | NA Quorum Requirements | Quorum requirement to cover NAs, update bylaws. | | Tim Ramis | John Williams, Dylan Digby | Last update 12/9/19 |
| 76 | 9/24/2019 36839 | PA-19-14 Easement Vacation Process | Provide formal response regarding the nexus and rough proportionality associated with obtaining land use approval. | | Tim Ramis | Amy Pepper | Last update 10/2/19 |
| 77 | 10/14/2019 36841 | Negotiate NW Natural Franchise | Pull NW Natural franchise out of ROW to renew and renegotiate. | | Tim Ramis, Bill Monahan | Lance Calvert | Last update 10/28/19 |
| 78 | ?36845 | Community Center Management Agreement | Revise agreement between City and Friends of Robinwood Station (FORS). | | Tim Ramis/Matthew Kahl | Ken Warner | Last update 7/31/2020 |
| 79 | | | | | | | |
| 80 | Longterm | | | | | | |
| 81 | 3/8/2019 36839 | Code Changes Chapters 98 & 100, possibly 105 | Review code, CDC, plan changes to confirm if on track. | | Tim Ramis, Matthew Kahl | ?? | Last update 7/24/19 |
| 82 | 9/9/2019 36839 | I-205 Regulatory Framework | Develop process for permitting, etc. | | Tim Ramis | John Williams, Lance Calvert | |
| 83 | 8/14/2019 36842 | September Agenda Priorities | Council Records Retention Policy | | Tim Ramis | John Williams | |
| 84 | 8/22/2019 36839 | TIA Weatherhill Neighborhood | Is PC asking city to undertake traffic impact study or opinion from public works? | | Bill Monahan, Matthew Kahl | John Williams, Lance Calvert | Last update 8/26/19 |
| 85 | 8/26/2019 36842 | Potential Purchase | Review draft report and attachments to provide recommendation to Council. | | Tim Ramis | John Williams | Last update 10/15/19 |
| 86 | 9/4/2019 36808 | Percentage for Arts, Public Utility / Transportation Projects | Concern regarding Council discussion on proposed changes to percentage for arts code update. Utility/Transportation only allows public art installations when connected to operation of system. | | Tim Ramis, Matthew Kahl, Bill Monahan | Lance Calvert | Last update 11/18/2020 |
| 87 | | | | | | | |
| 88 | Consider Revised Schedule | | | | | | |
| 89 | 3/3/2019 | Bolton Fire Hall Use | Renewed interest by daycare. | | Tim Ramis | John Williams | Dan Olsen updated status 6/24/19 |
| 90 | 36808 | Public Works Contracts | Respond to insurance limits, tort claim limits, CIS input. | | Bill Monahan | Lance Calvert | Complete per Bill 11/18/2020 |
| 91 | 36842 | Gassack Litigation | Collections, judgement issued | | Tim Ramis, Chris Dolan | ?? | Per CKD need to follow up in a few months. Last update 11/21/19 |

Mollusky, Kathy

From: Rollins, Oddis
Sent: Monday, March 8, 2021 3:13 PM
To: City Council
Cc: Gabrielatos, Jerry; Mahuna, Peter; Mollusky, Kathy
Subject: Letter to re read into the record for tonight's council meeting - 0308021

City Councilors – I am submitting the below letter to be read into the record at tonight’s council meeting on 03/08/21.

Thank you very much.

From: [REDACTED]
Date: March 8, 2021 at 13:57:34 PST
To: "Halverson, Jeff" <jhalverson@westlinnoregon.gov>
Subject: Appreciation to the police on handling of incident last night on [REDACTED]

CAUTION: This email originated from an External source. Do not click links, open attachments, or follow instructions from this sender unless you recognize the sender and know the content is safe. If you are unsure, please contact the Help Desk immediately for further assistance.

Hello,

I would like to take this opportunity to thank the officers who responded to our call regarding a woman experiencing a mental health crisis on [REDACTED] around 11 pm last night. The officer who arrived (I believe his last name was Johnson) acted with a calm demeanor, waiting for backup to arrive before confronting the woman who was in hiding. I watched from inside my home as additional officers arrived along with AMR. All the officers remained calm and considerate as her agitation and eventual aggression accelerated to the extreme. They kept the scene low key, no bright lights or loud sounds and used steady calm reassuring voices trying to diffuse the situation. It was apparent they were well trained to handle such a difficult scenario. To say they acted professionally is an understatement.

Especially in light of increased media focus on WLPD, I would like to give a huge shout out for the stellar care and consideration the officers showed last night. Many neighbors are talking today and all the feedback is how impressed they are with handling of the incident. We are grateful for your service.

Most importantly, I hope the distraught woman was able to get the care she deserves and needs.

Thank you again,
Marianne Beehler

Oddis Rollins
Police Captain

West Linn Community for Police Reform
Public Comment to West Linn City Council -- revised

March 8, 2021

I would like to comment on what I see as the City's quite slow and inadequate response to the Michael Fesser matter. It has now been more than a year since the incident came to light through reporting by the Oregonian, and West Linn appears to be dragging its feet on ensuring full accountability for those found to have committed misconduct – or even fully investigating what misconduct occurred. Of course, we are glad that former Chief Terry Kruger and former Sgt. Tony Reeves have been terminated from the West Linn Police Department. But there is considerably more that should be done to hold ALL police and city officials involved accountable for their role in this debacle. The recent [decision by US Attorney Billy Williams not to press criminal charges](#) under federal civil rights and public corruption laws does not mean that all other current and former officials involved should be exonerated.

Given our city's very stained reputation on policing, it cannot afford to grow complacent. Neither should it succumb to the argument that we should only be looking ahead at system reforms in policing, and not back at past misconduct. The success of police reforms in the future depends on holding those responsible for past misconduct accountable.

Last week, the City Manager [posted responses by Police Captain Oddis Rollins to a series of questions](#) he (the CM) had posed to Rollins about the highly flawed internal investigation into the Fesser case. There is not enough time in this public comment period to detail all the problems with this exchange. Suffice it to say that many of Captain Rollins's responses were inadequate, vague and even incorrect, and some of the questions themselves did not go far enough. Neither should the City be relying solely on the responses of Captain Oddis Rollins to understand why the internal investigation was so deficient. There are many other actors whose roles must be more deeply explored to get to the bottom of this failure -- including former Chief Neil Hennelly, former Police Chief Kruger and former City Manager Eileen Stein. It is important to note that, to our knowledge, none of the investigations thus far has explored the reported extortion of Eileen Stein by former Police Chief Terry Timeus.

So once again, we call upon the City to take further, deliberate and immediate steps to see this matter to an acceptable conclusion. This includes:

- Commissioning a more thorough inquiry by an independent party to further explore why the WLPD's internal investigation into the Fesser arrest was so deeply flawed. The inquiry should have a broad mandate and should employ procedures and evidentiary standards appropriate in a disciplinary investigation, which the OIR Group admits it did not do. Such an inquiry could be conducted by the county District Attorney, or even by the OIR group, to complement the investigation that they completed last year.
- Once such an inquiry is conducted, the city should follow through with appropriate measures for any individuals involved, including but not limited to demotion, termination, recommendation to DPSST for decertification, leave without pay, and revocation of awards or positive letters of reference.
- Request that the Oregon Department of Police Safety Standards and Training (DPSST) immediately revoke the police certification of former Chief Timeus and former Sgt. Reeves, as recommended

by the Clackamas County District Attorney. I understand that Police Departments must request decertification before DPSST can act to do so.

I and colleagues in our group have been presenting public comments on these issues to the Council for quite some time. We would very much appreciate a clear response from the City Council and City Manager about what steps they intend to take, rather than a simple "thank you" for our comments. Is West Linn City Council going to demonstrate real leadership in correcting this situation? Or are you going to hide behind some very narrow investigations as a way of doing as little as possible?