



**CITY OF DUNDEE
CITY COUNCIL MEETING
Fire Hall Community Room**

801 N. Highway 99W, Dundee, OR 97115
City Hall Phone: (503) 538-3922 Website: www.DundeeCity.org

The Mission of City Government is to provide essential, quality public services in support of the livability, safety and viability of the Dundee community.

DECEMBER 3, 2019 7 - 9 PM.

Times printed are estimates. Actual time may vary.

1. Open Regular City Council Meeting
2. Pledge of Allegiance
3. Amendments to the Agenda, if any
4. Public Comment: Each speaker will be allowed up to 5 minutes to speak after being recognized by the Mayor. Councilors will generally not respond to comments except to ask clarifying questions. Council may direct concerns raised by the speaker to the City Administrator or place the issue of concern on the agenda for Council discussion.
5. Presentation: Ryan Pasquarella, CPA – Annual Audit FY 2018-19 Audit Report
6. Consent Agenda: The following items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member (or a citizen through a Council member) so requests, in which case the item will be removed from the Consent Agenda and considered separately. If any item involves a potential conflict of interest, Council members should so note before adoption of the Consent Agenda.
 - 6.1 City Council Minutes, November 19, 2019 Pages 1-8
 - 6.2 2020 Meeting Calendar Pages 9-10

Action Required: Motion to Accept the Consent Agenda
7. Old Business:
 - 7.1 2020 SCA Grant Agreement Pages 11-32

Action Requested
8. New Business:
 - 8.1 US Bank Purchase Card Application Pages 33-42

Action Requested
9. Council Concerns & Committee Reports
10. Mayor's Report
11. City Administrator Report
12. Public Comment: Each speaker will be allowed up to 5 minutes to speak after being recognized by the Mayor. Out of courtesy for the speaker, please refrain from talking.

13. Executive Session: In accordance with ORS 192.660 (2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

14. Adjourn

Pending Business:

1. Public Works
 - 1.1 Highway 99W Street Lighting
 - 1.2 ODOT Phase B Highway 99W Improvements

2. Planning/Land Use
 - 2.1 Dundee Riverside District Code Amendment
 - 2.2 Exterior Lighting – Code Update/Street Light Standards
 - 2.3 Helipad Standards
 - 2.4 Pending Type II or Type III Land Use Applications:
 - 2.4.1 (none)

3. City Council
 - 3.1 Update SDC Methodologies
 - 3.2 LID 2013-01 Final Assessment Ordinance
 - 3.3 Storm Drain Master Plan Update

4. Parks & Trails
 - 4.1 Harvey Creek Trail Property Rehabilitation
 - 4.2 WWTP Nature Park

5. Next Available Ordinance & Resolution No's.
 - 5.1 Ordinance No. 572-2019
 - 5.2 Resolution No. 2019-14

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to the Administrative Assistant at City Hall (503) 538-3922.



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

November 26, 2019

To the City Council
City of Dundee
620 SW 5th Street
Dundee, Oregon 97115

We have audited the financial statements of the City of Dundee (the City) as of and for the year ended June 30, 2019, and have issued our report thereon dated November 26, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 14, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City 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 in our letter dated May 14, 2019.

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the City'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 is included in the notes to the financial statements.

GASB Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements," addresses inconsistencies in the information disclosed in the notes to governmental financial statements related to debt, including direct borrowings and direct placements, and provides financial statement users with additional essential information about debt. Implementation of this new standard resulted in additional information disclosed in the City's long-term debt footnote.

Additionally, the City combined related proprietary funds into three operating funds, Water Operations, Sewer Operations and Stormwater Operations. Our opinion is not modified with respect to this matter.

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.

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

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'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, which are included in the attached letter dated November 26, 2019.

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, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, 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's auditors.

We were engaged to report on supplementary information, which accompanies the financial statements. 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 management's discussion and analysis, which accompanies the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Very truly yours,


CERTIFIED PUBLIC ACCOUNTANTS



November 26, 2019

Grove, Mueller & Swank, P.C.
475 Cottage Street NE, Suite 200
Salem, OR 97301

This representation letter is provided in connection with your audit of the financial statements of the City of Dundee, Oregon (the City) as of June 30, 2019, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of November 26, 2019, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 14, 2019, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with the modified cash basis of accounting and for preparation of the supplemental information in accordance with the applicable criteria.
- The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting and include all properly classified funds and other financial information of the primary government required by the modified cash basis of accounting to be included in the financial reporting entity.
- We acknowledge our responsibility for 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.

Dundee Representation Letter

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- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the modified basis of accounting.
- All events subsequent to the date of the financial statements that would require adjustment or disclosure have been properly made.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and

Dundee Representation Letter

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unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.

- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- The City does not maintain historical cost or depreciation records for capital assets.
- Deposit and investment risks have been properly and fully disclosed.
- All required supplemental information is measured and presented within the prescribed guidelines.
- With respect to the Management's Discussion and Analysis; Combining Balance Sheets; Combining Statements of Revenues, Expenditures and Changes in Fund Balances; and Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the supplementary information in accordance with the modified cash basis of accounting.
 - We believe the supplementary information, including its form and content, is measured and fairly presented in accordance with the modified cash basis of accounting.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Dundee Representation Letter

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- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the City of the supplementary information and the auditor's report thereon.
- As part of your audit, you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

Information Provided

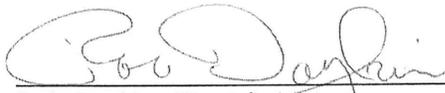
- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meeting of the city council or summaries of actions of recent meetings for which minutes have not yet been approved.

Dundee Representation Letter
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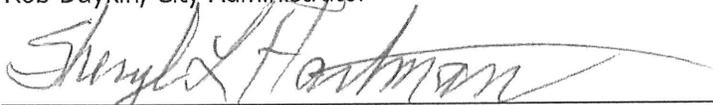
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known or actual pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the District/City will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.

Dundee Representation Letter
Page 6 of 6

- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



Rob Daykin, City Administrator



Sherylyn Hartman, Office Manager

***CITY OF DUNDEE, OREGON
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2019***

CITY OF DUNDEE, OREGON
CITY OFFICIALS
JUNE 30, 2019

<u>Name</u>	<i>MAYOR</i>	<u>Term</u>
David Russ 1008 SW 7 th Street Dundee, Oregon 97115		December 31, 2020

CITY COUNCIL MEMBERS

Jeannette Adlong 142 SW Red Hills Drive Dundee, Oregon 97115		December 31, 2020
Kristen Svicarovich 729 SW Graystone Place Dundee, Oregon 97115		December 31, 2020
Storr Nelson 290 SE Edwards Drive Dundee, Oregon 97115		December 31, 2022
Patrick Kelly 350 SW Dogwood Drive Dundee, Oregon 97115		December 31, 2022
Ted Crawford 876 SW View Crest Drive Dundee, Oregon 97115		December 31, 2022
Tim Weaver P.O. Box 764 Newberg, Oregon 97132		December 31, 2020

REGISTERED AGENT AND REGISTERED ADDRESS

Rob Daykin, City Administrator
P.O. Box 220
Dundee, Oregon 97115

CITY OF DUNDEE, OREGON
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GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council Members
City of Dundee
P. O. Box 220
Dundee, Oregon 97115

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Dundee, Oregon (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in the notes to the financial statements; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 City'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 City'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 modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dundee, Oregon, as of June 30, 2019, and the respective changes in modified cash basis financial position and, where applicable, cash flows, for the year then ended in accordance with the modified cash basis of accounting described in the notes to the financial statements.

Basis of Accounting

We draw attention to the notes to financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Emphasis of Matter – Change in Accounting Presentation

During the year ended June 30, 2019, the City combined related proprietary funds into three operating funds, Water Operations, Sewer Operations and Storm Water Operations. Our opinion is not modified with respect to this matter.

Other Matters

Report on Supplemental and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. Management's discussion and analysis, budgetary comparison information, and combining nonmajor fund financial statements, which are the responsibility of management, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The budgetary comparison information and combining fund financial statements, as listed in the table of contents, are the responsibility of management and were derived from, and relate 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 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 on the basis of accounting described in notes to the financial statements.

Management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Legal and Regulatory Requirements

Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2019, on our consideration of the City's 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 26, 2019, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

*GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS*

By: 
Ryan T. Pasquarella, A Shareholder
November 26, 2019

**CITY OF DUNDEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

This discussion and analysis presents the highlights of financial activities and financial position for the City of Dundee, Oregon (the City). The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

	June 30,	
	2019	2018
Net position	\$ 3,227,926	\$ 2,820,288
Change in net position	407,638	(679,623)
Governmental net position	2,069,550	1,627,202
Proprietary net position	1,158,376	1,193,086
Change in governmental net position	442,348	(241,041)
Change in proprietary net position	(34,710)	(438,582)

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

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements include:

The *Statement of Net Position (modified cash basis)* - presents information on all the assets and liabilities of the City as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities (modified cash basis)* presents information showing how the net position of the City changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position.

The government-wide financial statements are divided into two categories. The Governmental activities include most of the City's basic services such as police, fire, municipal court, street maintenance and improvements, community planning and governance. The Business-type activities include the operation of the City's water, sewer, and storm water utilities.

Fund financial statements - The *fund financial statements* provide more detailed information about the City's funds, focusing on its most significant or "major" funds – not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on compliance with finance-related legal requirements, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

The *proprietary funds* are used to account for charges to customers for the services it provides – whether to outside customers or to other units of the City. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position (modified cash basis)* and the *Statement of Activities (modified cash basis)*. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information.

Notes to the Financial Statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain *supplemental information* related to the combining statements for non-major funds and the schedules of revenues, expenditures / expenses and changes in fund balance-budget and actual.

Independent Auditor's Report Required by Oregon State Regulations - These are supplemental communications on the City's compliance and internal controls as required by Oregon statutes.

FINANCIAL SUMMARY AND ANALYSIS

Statement of Net Position - The *Statement of Net Position* is provided on a comparative basis. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$3,227,926 at the close of the most recent fiscal year.

Current liabilities consist of customer deposits.

Net position - restricted represents sources that are subject to external restrictions on their use, such as debt service payments or construction.

Net position - unrestricted are available for general operations of the City.

City of Dundee
Statements of Net Position (Modified Cash Basis)
June 30,

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 2,121,508	\$ 1,174,412	\$ 3,295,920	\$ 1,683,231	\$ 1,206,725	\$ 2,889,956
Deposits	51,958	16,036	67,994	56,029	13,639	69,668
Net Position						
Restricted	443,814	315,244	759,058	186,015	327,307	513,322
Unrestricted	1,625,736	843,132	2,468,868	1,441,187	865,779	2,306,966
Total Net Position	\$ 2,069,550	\$ 1,158,376	\$ 3,227,926	\$ 1,627,202	\$ 1,193,086	\$ 2,820,288

Statement of Activities - As of June 30, 2019, there was an increase of \$442,348 in the net position of the governmental activities and a decrease of \$34,710 in the net position of the business-type activities.

City of Dundee
Statements of Activities (Modified Cash Basis)
June 30,

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program Revenues						
Fines, fees, and charges for service	\$ 474,949	\$ 2,082,337	\$ 2,557,286	\$ 263,427	\$ 1,978,637	\$ 2,242,064
Operating grants and contributions	352,449	-	352,449	339,612	-	339,612
Capital grants and contributions	311,608	235,116	546,724	854,754	86,574	941,328
General Revenues						
Taxes and assessments	1,011,030	-	1,011,030	922,414	-	922,414
Franchise taxes	195,204	-	195,204	195,049	-	195,049
Intergovernmental	97,668	-	97,668	102,347	-	102,347
Unrestricted investment earnings	48,630	26,004	74,634	25,383	20,291	45,674
Miscellaneous	33,171	494	33,665	15,289	658,799	674,088
Total Revenues	2,524,709	2,343,951	4,868,660	2,718,275	2,744,301	5,462,576
Expenses						
General government	511,864	-	511,864	449,287	-	449,287
Streets	847,840	-	847,840	1,657,593	-	1,657,593
Courts	22,370	-	22,370	29,791	-	29,791
Police service	503,123	-	503,123	492,038	-	492,038
Fire service and fire station construction	1,408,354	-	1,408,354	474,902	-	474,902
Community development	212,995	-	212,995	207,137	-	207,137
Urban renewal	33,932	-	33,932	-	-	-
Interest on long-term debt	90,339	-	90,339	105,688	-	105,688
Water	-	800,277	800,277	-	763,467	763,467
Sewer	-	1,104,652	1,104,652	-	1,914,030	1,914,030
Storm water	-	126,276	126,276	-	186,416	186,416
Total Expenses	3,630,817	2,031,205	5,662,022	3,416,436	2,863,913	6,280,349
Issuance of debt	221,000	-	221,000	138,150	-	138,150
Settlements	980,000	-	980,000	-	-	-
Transfers	347,456	(347,456)	-	318,970	(318,970)	-
Change in Net Position	442,348	(34,710)	407,638	(241,041)	(438,582)	(679,623)
Net Position, beginning of year	1,627,202	1,193,086	2,820,288	1,868,243	1,631,668	3,499,911
Net Position, end of year	\$ 2,069,550	\$ 1,158,376	\$ 3,227,926	\$ 1,627,202	\$ 1,193,086	\$ 2,820,288

Governmental Activities – Net position increased by \$442,348 during the fiscal year. There was \$347,456 transferred from the business-type activities to the governmental activities, which represents payment to the Equipment Reserve Fund for future equipment replacement, payment to the General Fund for reimbursement of general financial and administrative services supporting the business-type activities, and payment in lieu of a 5% franchise fee to the General Fund.

The General Fund is the largest governmental fund and accounts for all of the financial resources of the City, which are not accounted for in any other fund. Principal sources of revenues are property taxes, franchise taxes, building permits, intergovernmental revenues and court fines. Expenditures are made for general governmental activities (administration, finance, court, planning and building), police and fire protection.

The Equipment Reserve Fund is used to accumulate funds via transfers from the General Fund, Street Fund, Water Fund, Sewer Fund, and Storm Water Fund for the purpose of purchasing vehicles and equipment in accordance with a planned equipment replacement schedule.

The Street CIP Fund is used to account for transfers from the Street fund and grants to be used for street improvement projects, including sidewalks, street overlays and street reconstruction.

Business-type Activities - The decrease in the net position of the business-type activities is primarily due to major system improvements financed with both current revenues and accumulated resources.

The three business-type activities in Dundee are the water, sewer and storm water utilities. Each utility is self-sufficient with the primary source of revenues from service charges. System development charges are collected from new development and deposited in the respective CIP funds to help finance capital improvements.

FINANCIAL ANALYSIS OF FUNDS

The City's governmental funds reported a combined fund balance of \$2,069,550 as of June 30, 2019, which is an increase of \$442,348 from June 30, 2018.

The General Fund is the primary operating fund of the City. The General Fund balance was as \$609,022 on June 30, 2019, which is an increase of \$28,474 over June 30, 2018. This increase is mainly due to revenues exceeding budgeted estimates and \$19,400 in funds set aside for the façade improvement program which were not expended.

The Equipment Reserve Fund is used to accumulate resources to purchase equipment by transfers from other funds. The Equipment Reserve Fund balance was \$854,135 on June 30, 2019, which is an increase of \$87,397 over June 30, 2018. The only equipment purchased from the Equipment Reserve Fund in FY 2018-19 was for a used water service truck. Debt service represents repayment of the seven-year loan used to finance the construction of the public works equipment storage and shop building. Final installment on the loan is December 30, 2021.

The Street CIP Fund is used to account for transfers from the Street fund and grants to be used for street improvement projects, including sidewalks, street overlays and street reconstruction. The Street CIP Fund balance was \$295,229 on June 30, 2019, which is an increase of \$211,056 over June 30, 2018. The increase is mainly due to the reimbursement payment of \$240,000, representing the second half of the ODOT Bike/Pedestrian grant used to finance sidewalk and other related improvements along Highway 99W that was completed in the prior fiscal year. The collection of assessments in the amount of 212,386 is for the Locust Street local improvement district. \$221,000 was drawn on an Oregon Transportation Infrastructure Fund (OTIF) loan. OTIF loan financed local street improvements completed in the prior and current fiscal year and will be used to cover the City's share of cost associated with Highway 99W improvements constructed by ODOT.

The Fire Station Construction Fund was established to account for the resources used in the construction of the new fire station building. The project was substantially completed at the end of 2014, however, disputes regarding the roof and concrete slab floor were resolved in 2018 with a mutual settlement agreement between the City, the general contractor and other parties. Pursuant to the mutual settlement agreement, the City was paid \$980,000 and a supplemental budget was adopted to expend the settlement proceeds.

Proprietary funds provide water, sanitary sewer and storm water services to customers. User charges make up the bulk of revenue supporting the proprietary funds. Non-operating revenue is primarily derived from the payment of system development charges assessed on new development. As with the governmental funds, fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year. The proprietary funds net position was \$1,158,376 as of June 30, 2019, which is a decrease of \$34,710 from the prior year.

Water Operations are represented by the Water Fund to account for the City's water operations and the Water Capital Improvement Fund to account for long-term debt and capital improvements. Operating expenses require about half of the operating revenue. Capital acquisitions include water line replacement projects on Locust Street and Worden Hill Drive per the recommendations of the 2016 Water Master Plan. Debt service represents repayment of the US Bank loan at a rate of 2.6% that was issued to refund the 4.04% Oregon Infrastructure Financing Authority (IFA) loan in May 2016. The original IFA loan financed the construction of the 400,000-gallon reservoir in 2010.

Sewer Operations are accounted for in the Sewer Fund for maintenance and operations and the Sewer Capital Improvement Fund. About 52% of customer sewer charges are used to retire existing debt. The 20-year term \$9.7 million loan issued by Oregon Department of Environmental Quality financed the wastewater treatment facilities constructed in 2012. The increase in net position over the prior year represents the accumulation of funds needed for removal of accumulated biosolids and replacement of MBR plates. Biosolids are removed and applied to farm fields for the benefit of crops on a cyclical basis and funds are set aside for this very expensive operational expense. Funds not used for operations or debt service are reserved for future system capital improvements.

BUDGET AMENDMENTS

Supplemental budgets were adopted to recognize the settlement paid to the City to be used for roof and related repairs at the Fire Station and to allocate unanticipated resources in the Fire Station Construction Fund and Sewer Capital Improvement Fund. Pursuant to Local Budget Law, some budgeted appropriations were transferred within a fund from an existing appropriation to another existing appropriation, with no change in the fund's total appropriations, in order to accommodate unforeseen circumstances. The funds affected by the transfer of appropriations include the Water Fund, Sewer Fund, and Fire Station Construction Fund.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total of \$11,065,445 in debt outstanding.

State statutes limit the amount of general obligation debt a government entity may issue up to 3 percent of its total real market value. The City's 3% limit is about \$15.3 million. The only general obligation debt (voter approved) issued by the City is for the fire station construction project in the amount of \$2,286,357.

City of Dundee Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Loans	\$ 977,767	\$ 837,618	\$ 7,801,321	\$ 8,376,279	\$ 8,779,088	\$ 9,213,897
General obligation bonds	2,286,357	2,362,667	-	-	2,286,357	2,362,667
Total outstanding debt	<u>\$ 3,264,124</u>	<u>\$ 3,200,285</u>	<u>\$ 7,801,321</u>	<u>\$ 8,376,279</u>	<u>\$ 11,065,445</u>	<u>\$ 11,576,564</u>

Additional information on long-term obligations of the City may be found in the notes to the basic financial statements.

ECONOMIC FACTORS

The Riverside District Master Plan was adopted as an ancillary document to the Dundee Comprehensive Plan in 2011. The Plan provides guidance to the development of residential, commercial and light industrial uses for approximately 263 acres of undeveloped property within the Urban Growth Boundary located between the developed part of the City and the Willamette River. The Plan will accommodate about 970 residential units. With assistance from a Transportation and Growth Management grant obtained in July 2017, the Dundee Planning Commission recommended new zoning regulations and design standards in order to implement the Plan. Adoption of the new zoning regulations and an amendment to the zoning map for the Riverside District area are pending submittal and acceptance of an infrastructure financing plan from the principal owners.

Construction of Phase 1 of the Newberg-Dundee Bypass was completed January 2018, which provided significant relief to the traffic congestion on Highway 99W in Dundee. Also, the first phase of sidewalk/streetscape improvements along Highway 99W was completed by the City of Dundee. The final phase of these improvements by ODOT will include reconstruction of the highway, new storm drain facilities, and new street lighting. When completed, these improvements will facilitate private investment in the commercial core of Dundee.

Chehalem Park and Recreation District (CPRD) acquired 6.7 acres of hazelnut orchard property across from Billick Park and next to the post office. The City of Dundee is collaborating with CPRD with community outreach on possible uses for the redevelopment of the property. Design of this project is on hold pending direction from the Newberg School District regarding the replacement of the Dundee elementary school.

An urban renewal plan was adopted in April 2017 by Dundee City Council for the commercial and industrial areas located primarily along the Highway 99 corridor. It is anticipated that strategic use of urban renewal funds will reduce barriers to new development and greatly improve the overall economic development of Dundee.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability.

If you have questions about the report or need additional financial information, please contact the City Administrator at P.O. Box 220, Dundee, Oregon 97115.

BASIC FINANCIAL STATEMENTS

CITY OF DUNDEE, OREGON
STATEMENT OF NET POSITION (MODIFIED CASH BASIS)
JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 2,121,508	\$ 1,174,412	\$ 3,295,920
LIABILITIES			
Deposits	51,958	16,036	67,994
NET POSITION			
Restricted for:			
Community development	86,010	-	86,010
Debt service	17,810	315,244	333,054
Construction	44,765	-	44,765
Streets	295,229	-	295,229
Unrestricted	1,625,736	843,132	2,468,868
<i>Total Net Position</i>	<u>\$ 2,069,550</u>	<u>\$ 1,158,376</u>	<u>\$ 3,227,926</u>

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

CITY OF DUNDEE, OREGON
STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)
YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 511,864	\$ -	\$ -	\$ 1,608	\$ (510,256)	\$ -	\$ (510,256)
Streets	847,840	261,772	235,055	290,000	(61,013)	-	(61,013)
Courts	22,370	64,337	-	-	41,967	-	41,967
Police service	503,123	-	16,746	-	(486,377)	-	(486,377)
Fire service	480,327	54,701	100,648	-	(324,978)	-	(324,978)
Fire station construction	928,027	-	-	-	(928,027)	-	(928,027)
Community development	212,995	94,139	-	20,000	(98,856)	-	(98,856)
Urban renewal	33,932	-	-	-	(33,932)	-	(33,932)
Interest on long-term debt	90,339	-	-	-	(90,339)	-	(90,339)
<i>Total Governmental activities</i>	<i>3,630,817</i>	<i>474,949</i>	<i>352,449</i>	<i>311,608</i>	<i>(2,491,811)</i>	<i>-</i>	<i>(2,491,811)</i>
Business-type activities:							
Water	800,277	655,388	-	125,440	-	(19,449)	(19,449)
Sewer	1,104,652	1,318,352	-	72,880	-	286,580	286,580
Storm water	126,276	108,597	-	36,796	-	19,117	19,117
<i>Total Business-type activities</i>	<i>2,031,205</i>	<i>2,082,337</i>	<i>-</i>	<i>235,116</i>	<i>-</i>	<i>286,248</i>	<i>286,248</i>
<i>Total Activities</i>	<i>\$ 5,662,022</i>	<i>\$ 2,557,286</i>	<i>\$ 352,449</i>	<i>\$ 546,724</i>	<i>(2,491,811)</i>	<i>286,248</i>	<i>(2,205,563)</i>
General Revenues:							
Property and other taxes					1,011,030	-	1,011,030
Franchise taxes					195,204	-	195,204
Intergovernmental					97,668	-	97,668
Investment earnings					48,630	26,004	74,634
Miscellaneous					33,171	494	33,665
<i>Total General Revenues</i>					<i>1,385,703</i>	<i>26,498</i>	<i>1,412,201</i>
<i>Transfers</i>					<i>347,456</i>	<i>(347,456)</i>	<i>-</i>
<i>Issuance of debt</i>					<i>221,000</i>	<i>-</i>	<i>221,000</i>
<i>Settlements</i>					<i>980,000</i>	<i>-</i>	<i>980,000</i>
<i>Change in Net Position</i>					<i>442,348</i>	<i>(34,710)</i>	<i>407,638</i>
<i>Net Position - beginning of year</i>					<i>1,627,202</i>	<i>1,193,086</i>	<i>2,820,288</i>
<i>Net Position - end of year</i>					<i>\$ 2,069,550</i>	<i>\$ 1,158,376</i>	<i>\$ 3,227,926</i>

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

CITY OF DUNDEE, OREGON

BALANCE SHEET (MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS

JUNE 30, 2019

	<u>Capital Projects</u>					<u>Total</u>
	<u>General</u>	<u>Equipment Reserve Fund</u>	<u>Street Capital Improvement</u>	<u>Fire Station Construction</u>	<u>Other Governmental Funds</u>	
ASSETS						
Cash and cash equivalents	\$ 660,980	\$ 854,135	\$ 295,229	\$ 60,214	\$ 250,950	\$ 2,121,508
LIABILITIES AND FUND BALANCE						
Liabilities:						
Deposits	\$ 51,958	\$ -	\$ -	\$ -	\$ -	\$ 51,958
Fund Balance:						
Restricted for:						
Community development	-	-	-	-	133,283	133,283
Debt service	-	-	-	-	17,810	17,810
Streets	-	-	295,229	-	44,739	339,968
Committed to:						
Community development	-	-	-	-	10,353	10,353
Construction	-	854,135	-	60,214	44,765	959,114
Unassigned	609,022	-	-	-	-	609,022
Total Fund Balance	609,022	854,135	295,229	60,214	250,950	2,069,550
Total Liabilities and Fund Balance	\$ 660,980	\$ 854,135	\$ 295,229	\$ 60,214	\$ 250,950	\$ 2,121,508

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

CITY OF DUNDEE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<i>Capital Projects</i>					<i>Total</i>
	<i>General Fund</i>	<i>Equipment Reserve Fund</i>	<i>Street Capital Improvement</i>	<i>Fire Station Construction</i>	<i>Other Governmental Funds</i>	
REVENUES						
Taxes and assessments	\$ 720,706	\$ -	\$ -	\$ -	\$ 290,324	\$ 1,011,030
Fines and forfeitures	64,337	-	-	-	-	64,337
Licenses and permits	234,882	-	44,931	-	-	279,813
Charges for services	66,111	-	-	-	-	66,111
Intergovernmental	185,126	-	339,404	-	264,717	789,247
Miscellaneous	24,567	16,118	239,065	7,992	26,429	314,171
<i>Total Revenues</i>	1,295,729	16,118	623,400	7,992	581,470	2,524,709
EXPENDITURES						
Current						
General government	364,071	-	-	-	-	364,071
Streets	-	-	-	-	183,924	183,924
Courts	24,144	-	-	-	-	24,144
Police service	503,123	-	-	-	-	503,123
Fire service	462,964	-	-	182,015	-	644,979
Community development	128,638	-	-	-	77,424	206,062
Debt payments						
Principal	-	51,549	29,303	-	76,310	157,162
Interest	-	7,079	15,233	-	73,833	96,145
Capital acquisitions	26,428	9,093	628,808	746,012	40,866	1,451,207
<i>Total Expenditures</i>	1,509,368	67,721	673,344	928,027	452,357	3,630,817
REVENUES OVER (UNDER) EXPENDITURES	(213,639)	(51,603)	(49,944)	(920,035)	129,113	(1,106,108)
OTHER FINANCING SOURCES (USES)						
Transfers in	298,113	139,000	40,000	-	5,000	482,113
Transfers out	(56,000)	-	-	-	(78,657)	(134,657)
Settlements	-	-	-	980,000	-	980,000
Issuance of debt	-	-	221,000	-	-	221,000
<i>Total Other Financing Sources (Uses)</i>	242,113	139,000	261,000	980,000	(73,657)	1,548,456
NET CHANGE IN FUND BALANCE	28,474	87,397	211,056	59,965	55,456	442,348
FUND BALANCE, beginning of year	580,548	766,738	84,173	249	195,494	1,627,202
FUND BALANCE, end of year	\$ 609,022	\$ 854,135	\$ 295,229	\$ 60,214	\$ 250,950	\$ 2,069,550

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

CITY OF DUNDEE, OREGON

STATEMENT OF NET POSITION (MODIFIED CASH BASIS) - PROPRIETARY FUNDS

JUNE 30, 2019

	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Storm Water Operations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 402,218	\$ 671,644	\$ 100,550	\$ 1,174,412
LIABILITIES				
Deposits	16,036	-	-	16,036
NET POSITION:				
Restricted for:				
Debt service	-	315,244	-	315,244
Construction	-	-	-	-
Unrestricted	386,182	356,400	100,550	843,132
 <i>Total Net Position</i>	 <u>\$ 386,182</u>	 <u>\$ 671,644</u>	 <u>\$ 100,550</u>	 <u>\$ 1,158,376</u>

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

CITY OF DUNDEE, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(MODIFIED CASH BASIS) - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	<i>Water Operations</i>	<i>Sewer Operations</i>	<i>Storm Water Operations</i>	<i>Total</i>
OPERATING REVENUES				
Charges for services	\$ 646,327	\$ 1,318,350	\$ 108,597	\$ 2,073,274
Miscellaneous	9,483	55	19	9,557
<i>Total Operating Revenues</i>	655,810	1,318,405	108,616	2,082,831
OPERATING EXPENSES				
Personal services	193,627	194,177	28,600	416,404
Materials and services	134,773	180,114	7,988	322,875
<i>Total Operating Expenses</i>	328,400	374,291	36,588	739,279
OPERATING INCOME	327,410	944,114	72,028	1,343,552
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	9,520	14,103	2,381	26,004
Capital acquisitions	(354,676)	(40,033)	(66,089)	(460,798)
Debt payments				
Principal	(103,658)	(450,386)	(20,878)	(574,922)
Interest	(13,545)	(239,941)	(2,720)	(256,206)
<i>Total Nonoperating Revenues (Expenses)</i>	(462,359)	(716,257)	(87,306)	(1,265,922)
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	(134,949)	227,857	(15,278)	77,630
Capital contributions	125,440	72,880	36,796	235,116
Transfers in	140,000	666,000	56,000	862,000
Transfers out	(299,730)	(829,225)	(80,501)	(1,209,456)
CHANGE IN NET POSITION	(169,239)	137,512	(2,983)	(34,710)
NET POSITION, beginning of year	555,421	534,132	103,533	1,193,086
NET POSITION, end of year	\$ 386,182	\$ 671,644	\$ 100,550	\$ 1,158,376

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

CITY OF DUNDEE, OREGON

STATEMENT OF CASH FLOWS (MODIFIED CASH BASIS) - PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2019

	<i>Water Operations</i>	<i>Sewer Operations</i>	<i>Storm Water Operations</i>	<i>Totals</i>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 648,724	\$ 1,318,350	\$ 108,597	\$ 2,075,671
Other receipts	9,483	55	19	9,557
Cash paid to employees and others for salaries and benefits	(193,627)	(194,177)	(28,600)	(416,404)
Cash paid to suppliers and others	(134,773)	(180,114)	(7,988)	(322,875)
<i>Net Cash Provided by Operating Activities</i>	329,807	944,114	72,028	1,345,949
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	140,000	666,000	56,000	862,000
Transfers out	(299,730)	(829,225)	(80,501)	(1,209,456)
<i>Net Cash Provided by (Used for) Non-Capital Financing Activities</i>	(159,730)	(163,225)	(24,501)	(347,456)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(354,676)	(40,033)	(66,088)	(460,797)
Principal paid on debt	(103,658)	(450,386)	(20,878)	(574,922)
Interest paid on debt	(13,545)	(239,941)	(2,720)	(256,206)
Capital contributions	125,440	72,880	36,796	235,116
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	(346,439)	(657,480)	(52,890)	(1,056,809)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	9,520	14,103	2,381	26,004
<i>Increase (Decrease) in Cash and Investments</i>	(166,842)	137,512	(2,982)	(32,312)
CASH AND INVESTMENTS, Beginning of year	569,060	534,132	103,532	1,206,724
CASH AND INVESTMENTS, End of year	\$ 402,218	\$ 671,644	\$ 100,550	\$ 1,174,412
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 327,410	\$ 944,114	\$ 72,028	\$ 1,343,552
Adjustments				
Increase (decrease) in:				
Deposits	2,397	-	-	2,397
<i>Net Cash Provided by Operating Activities</i>	\$ 329,807	\$ 944,114	\$ 72,028	\$ 1,345,949

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Dundee, Oregon (the City) is governed by an elected mayor and six council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of the City Administrator. All significant activities and organizations for which the City is financially accountable are included in the basic financial statements.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

Basic Financial Statements

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

Government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position (Modified Cash Basis) and the Statement of Activities (Modified Cash Basis).

The Statement of Net Position (Modified Cash Basis) presents information on the assets and liabilities of the City of Dundee as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Net position is shown subject to net position - restricted and net position - unrestricted. When expenses are paid for purposes in which both net position - restricted and net position - unrestricted are available, the City deems net position - restricted to be spent first.

The Statement of Activities (Modified Cash Basis) demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the City has governmental funds (general, special revenue, capital projects, and debt service) and proprietary type funds (enterprise). Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

CITY OF DUNDEE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

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

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures / expenses of either fund category or the government and enterprise combined) for the determination of major funds. The City reports the following governmental funds as major:

General Fund

This fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenues are property taxes, licenses and permits, franchise taxes and State shared revenues. Primary expenditures are for administration, police and fire protection, planning, and municipal court.

Equipment Reserve Fund

This fund is used to accumulate resources to purchase equipment by transfers from other funds.

Street CIP Fund

This fund accounts for transfers from the Street fund and grants to be used for street improvement projects, including sidewalks, street overlays and street reconstruction.

Fire Station Construction Fund

This fund was created to pay for the construction of the new fire station. Revenues are primarily from the fire district and loan proceeds.

The City reports the following proprietary (enterprise) funds as major. These funds are used to account for the acquisition, operation, and maintenance of the sewer and water systems. These funds are entirely or predominantly self-supported through user charges to customers.

Water Operations

Financial activities of the City's water utility are recorded in this fund. Revenues consist primarily of user charges. Expenditures are primarily for operation of the utility and debt payments related to the acquisition of property, plant, and equipment.

Sewer Operations

Financial activities of the City's sewer utility are recorded in this fund. Revenues consist primarily of user charges. Expenditures are primarily for operation of the utility and debt payments related to the acquisition of property, plant, and equipment.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget. The City's Administrator uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund.

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund. In addition, certain Special Revenue Funds are reported as part of the General Fund because their source of funds is primarily transfers from the General Fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of capital equipment and facilities.

Debt Service Funds are used to accumulate resources to pay debt principal and interest.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

CITY OF DUNDEE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

In the government-wide Statement of Net Position (Modified Cash Basis) and Statement of Activities (Modified Cash Basis), both governmental and business-type activities are presented using the economic resource measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an economic resource measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, change in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include:

1. Interfund receivables and payables that are temporary borrowing and result from transactions involving cash or cash equivalents are recognized.
2. Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, external cash pools, and marketable investments) that arise from transactions and events involving cash or cash equivalents are recognized.
3. Liabilities for cash (or cash equivalents) held on behalf of others or held in escrow are recognized.

The modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Additionally, capital assets such as property and equipment and infrastructure are not reported as cost records are not available. Long-term liabilities such as debt are reported only in the notes to the financial statements.

If the City utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting, and the fund financial statements for the enterprise funds would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The City's policy, although not in accordance with accounting principles generally accepted in the United States of America, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

Enterprise funds distinguish between operating revenues and expenses and nonoperating items. Operating revenues and expenses result from providing services to customers in connection with ongoing utility operations. The principal operating revenues are charges to customers for service. Operating expenses include payroll and related costs, and materials and supplies. All revenues not considered operating are reported as nonoperating items.

Cash and Cash Equivalents

The City maintains cash and cash equivalents in a common pool that is available for use by all funds. Each fund type's portion of this pool is displayed as cash and cash equivalents. The City considers cash on hand, demand deposits and savings accounts, and short-term investments with an original maturity of three months or less from the date of acquisition to be cash and cash equivalents.

Oregon Revised Statutes authorize the City to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of U.S. Government and its agencies, certain bonded obligations of Oregon Municipalities and the State Treasurer's Local Government Investment Pool, among others.

For the purpose of financial reporting, cash and cash equivalents includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are stated at cost, which approximates fair value.

Budget and Budgetary Accounting

The City adopts the budget on a department basis in the general fund and on an object basis in all other funds; therefore, cash expenditures of a specific department or object within a fund may not legally exceed that object's appropriations for cash expenditures. The City Council may amend the budget to expend unforeseen revenues by supplemental appropriations. All supplemental appropriations are included in the budget comparison statements. Appropriations lapse at year-end and may not be carried over. The City does not use encumbrance accounting.

Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

CITY OF DUNDEE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

CASH AND CASH EQUIVALENTS

The City maintains a pool of cash and cash equivalents that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents. Interest earned on pooled cash and cash equivalents is allocated to participating funds based upon their combined cash and investment balances.

The City's deposits and investments at June 30, 2019 are as follows:

Cash	
Cash on hand	\$ 100
Deposits with financial institutions	411,717
Deposits with xpress pay	143,385
Investments	
Local Government Investment Pool	2,740,718
	<hr/>
	\$ 3,295,920
	<hr/> <hr/>

Deposits

The City's deposits with various financial institutions had a bank balance of \$488,882 and a book balance of \$411,717 at June 30, 2019. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

Custodial Risk – Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions for up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2019, \$238,882 of the City's bank balances were above FDIC and covered by the PFCP.

Local Government Investment Pool

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2019, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool was

CITY OF DUNDEE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

CASH AND CASH EQUIVALENTS (Continued)

Local Government Investment Pool (Continued)

approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting its investments to the LGIP.

Custodial Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

Deposits with xpress pay

The City contracts with xpress pay to facilitate online payments for water and sewer customers. The amounts in this account are those payments received by xpress.

CITY OF DUNDEE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

LONG-TERM DEBT

As a result of the use of the modified cash basis of accounting in this report, obligations related to long-term debt and other obligations are not reported as liabilities in the financial statements. Governmental activities Long-term debt transactions for the year were as follows:

	<i>Outstanding July 1, 2018</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2019</i>	<i>Next Year Requirements</i>
<i>Loans from Direct Borrowings</i>					
Key Bank Loan Payable	\$ 217,294	\$ -	\$ (51,549)	\$ 165,745	\$ 53,360
Oregon Transportation Infrastructure Bank Loan #0046	233,621	-	(17,359)	216,262	14,715
Oregon Transportation Infrastructure Bank Loan #0047	248,553	-	(11,943)	236,610	11,904
Oregon Transportation Infrastructure Bank Loan #0063	138,150	221,000	-	359,150	-
<i>Direct Placement Bonds Payable</i>					
2015 USDA Loan Payable	2,362,667	-	(76,310)	2,286,357	78,891
	<u>\$ 3,200,285</u>	<u>\$ 221,000</u>	<u>\$ (157,161)</u>	<u>\$ 3,264,124</u>	<u>\$ 158,870</u>

Loans from Direct Borrowings – Governmental Activities

Key Bank Loan Payable: In December 2014 the City entered into an agreement with Key Bank for \$361,200 for the public works building. The City will repay this amount in semi-annual payments over 7 years with 3.41% interest. The note is secured by the full faith and credit of the City. In the event of default, the note becomes immediately due and payable.

OTIF #0046 Loan Payable: In February 2013 the City entered into an agreement with the Oregon Transportation Infrastructure Bank from the Oregon Transportation Infrastructure (OTIF) for \$315,200 for the Newberg-Dundee Bypass Phase 1. The City will repay this amount in annual payments over 20 years with 2.58% interest. The note is secured by the full faith and credit of the City. In the event of default, the note becomes immediately due and payable.

OTIF #0047 Loan Payable: In April 2013 the City entered into an agreement with the Oregon Transportation Infrastructure Bank from the Oregon Transportation Infrastructure (OTIF) for \$284,000 for Dundee overlays and related work. The City will repay this amount in annual payments over 20 years with 2.58% interest. The note is secured by the full faith and credit of the City. In the event of default, the note becomes immediately due and payable.

OTIF #0063 Loan Payable: In May 2017 the City entered into a loan agreement with the Oregon Transportation Infrastructure Bank for Dundee street and sidewalk construction. The total loan proceeds available are \$815,070 with an annual interest rate of 1.99%. Currently, all project costs are being paid by the Oregon Department of Transportation (ODOT). The City will begin repaying their portion of the loan upon completion of the project. As of June 30, 2019, the City's share of the project and related loan balance is \$359,150.

CITY OF DUNDEE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

LONG-TERM DEBT (Continued)

Bonds Payable – Direct Placement

Installment General Obligation Bonds: In February 2015 the City entered into an agreement through the USDA for property tax revenue based general obligation bonds totaling \$2,578,000 for construction of the fire station. The City will repay this amount in annual payments over 25 years with 3.125% interest. The note is secured by the full faith and credit of the City and payable from ad valorem taxes. In the event of default, the note becomes immediately due and payable.

Future debt service requirements of governmental activities long-term debt are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Loans from Direct Borrowings</i>		<i>Direct Placement</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2020	\$ 79,979	\$ 20,125	\$ 78,891	\$ 71,252
2021	170,898	17,152	80,971	69,172
2022	134,954	12,699	83,690	66,453
2023	249,734	9,995	86,306	63,837
2024	29,474	9,253	89,170	60,973
2025-2029	159,179	34,461	488,374	262,341
2030-2034	131,654	12,906	569,783	180,932
2035-2039	21,895	1,374	664,554	86,161
2040	-	-	144,618	4,507
	<u>\$ 977,767</u>	<u>\$ 117,965</u>	<u>\$ 2,286,357</u>	<u>\$ 865,628</u>

Business-type activities long-term debt transactions for the year were as follows:

	<i>Outstanding July 1, 2018</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2019</i>	<i>Next Year Requirements</i>
<i>Loans from Direct Borrowings</i>					
DEQ loan payable (R29650)	\$ 7,665,903	\$ -	\$ (439,947)	\$ 7,225,956	\$ 451,683
US Bank loan payable	710,376	-	(135,011)	575,365	138,351
	<u>\$ 8,376,279</u>	<u>\$ -</u>	<u>\$ (574,958)</u>	<u>\$ 7,801,321</u>	<u>\$ 590,034</u>

Wastewater Loan Payable (R29650): In December 2012 the City entered into an agreement with the Oregon Department of Environmental Quality for \$9,700,000 for construction of the wastewater treatment plant. The City will repay this amount in semi-annual payments over 20 years with 2.65% interest. The note is secured by the full faith and credit of the City. In addition, net revenues of the system have been pledged as payment for the obligation. In the event of default, the note becomes immediately due and payable.

CITY OF DUNDEE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

LONG-TERM DEBT (Continued)

The Wastewater Loan requires a reserve in the amount of \$320,099 and requires a minimum debt service coverage ratio of 1.05. The City met these requirements for the year ended June 30, 2019.

US Bank Loan Payable: In May 2016 the City entered into an agreement with US Bank for \$970,000 to pay off interim Business Oregon IFA for the water reservoir and additional storm water and sewer system repairs. The City will repay this amount in semi-annual payments over 7 years with 2.60% interest. The note is secured by the full faith and credit of the City. In the event of default, the note becomes immediately due and payable.

Future debt service requirements for business-type activities are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Loans from Direct Borrowings</i>	
	<i>Principal</i>	<i>Interest</i>
2020	\$ 590,034	\$ 202,831
2021	605,791	187,074
2022	621,931	170,934
2023	637,929	154,596
2024	501,841	138,357
2025-2029	2,717,299	483,691
2030-2033	2,126,496	114,188
	<u>\$ 7,801,321</u>	<u>\$ 1,451,671</u>

CITY OF DUNDEE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

PENSION PLAN

Plan Description - City employees are provided pension benefits through the Oregon Public Employees Retirement System (PERS). PERS is a cost-sharing multiple-employer defined benefit pension plan for units of state and local government in Oregon, containing multiple actuarial pools. Benefits are established and amended by the Oregon State Legislature pursuant to ORS Chapters 238 and 238A. The legislature has delegated the authority to administer and manage PERS to the Public Employees Retirement Board. PERS issues a publicly available financial report that can be found at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits Provided - PERS provides retirement, disability, and death benefits which vary based on a qualified employee's hiring date and employment class (general service or police/fire). All District employees are eligible to participate after six months of covered employment. Details applicable to police/fire employees are noted in [square brackets] where different.

The Tier One/Tier Two Retirement Plan applies to qualifying employees hired before August 29, 2003 and is closed to new members.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.67% [2.00%]. Benefits may also be based on a money match computation, or formula plus annuity (for members contributing before August 21, 1981), if a greater benefit results. Employees are fully vested after making contributions in each of five calendar years, and are eligible to retire at age 55 [50]. Tier One benefits are reduced if retirement occurs prior to age 58 [55] with less than 30 [25] years of service; Tier Two benefits are reduced for retirement prior to age 60.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. Disability benefits are determined in the same manner as retirement benefits with service time computed to age 58 [55].

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance. The beneficiary may also receive a matching lump-sum payment from employer funds if the member was in covered employment at the time of death, or if the member died less than 120 days after termination, while on official leave of absence, or as a result of a job-related injury.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238.360).

The Oregon Public Service Retirement Plan (OPSRP) applies to qualifying employees hired on or after August 29, 2003.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.50% [1.80%]. Employees are fully vested after completing 600 hours of service in each of five calendar years, and are eligible to retire at age 58 [53] with 30 [25] years of service, or at age 65 [60] otherwise.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. The benefit is 45% of the employee's salary during the last full month of employment before the disability occurred.

Upon the death of a non-retired member, the beneficiary receives a monthly benefit equal to 50% of the retirement benefit that would have been paid to the member.

CITY OF DUNDEE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

PENSION PLAN (Continued)

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238A.210).

Contribution Requirements – As a participating employer, the City is required to make monthly contributions to PERS based on actuarially determined percentages of covered payroll. Rates in effect for fiscal year 2019 were 20.39% for Tier One/Tier Two employees, 12.68% for OPSRP general service employees, and 17.45% for OPSRP police/fire employees. The District's total contributions to PERS were \$113,367, for fiscal year ended June 30, 2019.

Contribution requirements are established by Oregon statute and may be amended by an act of the Oregon State Legislature. Employer contribution rates for fiscal year 2019 were based on the December 31, 2016 actuarial valuation using the entry age normal actuarial cost method. It is important to note that the actuarial valuations used for rate setting are based on different methods and assumptions than those used for financial reporting which are described later in this note.

Employee contributions are set by statute at 6% of salary and are remitted by participating employers, who may agree to make employee contributions on the employee's behalf. Prior to January 1, 2004, employee contributions were credited to the defined benefit pension plan. Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan described further at the end of this note.

Pension Assets/Liabilities, Pension Expense, and Pension-Related Deferrals – At June 30, 2019, the City reported a net pension liability of \$1,006,266 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on a December 31, 2016 actuarial valuation, rolled forward to the measurement date. The City's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to PERS relative to the projected contributions of all participating employers, as actuarially determined. The City's proportion was 0.00664260% as of the June 30, 2018 measurement date, compared to 0.00687173% as of June 30, 2017.

Actuarial Methods and Assumptions – The total pension liability in the December 31, 2016 actuarial valuation was determined using the entry age normal method and the following actuarial assumptions, applied to all periods included in the measurement: inflation rate of 2.50%, projected salary increases of 3.50%, investment rate of return of 7.50%, and mortality rates based on the RP-2000 sex-distinct mortality tables, with generational adjustments per scale BB. These assumptions were based on the results of an actuarial experience study for the four-year period ending December 31, 2016.

The long-term expected rate of return on pension plan investments was developed by combining estimated rates of return for each major asset class weighted by target asset allocation percentages and adjusting for inflation.

Target allocations and estimated geometric rates of return for each major asset class are available in the PERS publicly available financial report previously mentioned.

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF DUNDEE, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2019

PENSION PLAN (Continued)

The following chart shows the sensitivity of the net pension liability (asset) to changes in the discount rate, based on calculations using discount rates of 6.20%, 7.20%, and 8.20%.

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Proportionate share of the net pension liability	\$ 1,681,661	\$ 1,006,266	\$ 448,783

Pension Plan Fiduciary Net Position – Detailed information about PERS’ net position is available in its separately issued financial report.

Defined Contribution Plan – PERS-eligible employees are statutorily required to contribute 6% of their annual covered salary to the OPSRP Individual Account Program (IAP), a defined contribution pension plan. Benefits terms, including contribution requirements, are established by the Oregon Legislature. As permitted, the City has opted to pick-up the contributions on behalf of employees; contributions were \$38,978 for the year ended June 30, 2019. Employees are fully vested after completing 600 hours of service in each of five calendar years. PERS contracts with VOYA Financial to administer the IAP.

INTERFUND TRANSACTIONS

The City charges an internal administration charge to the Street, Water, Sewer, and Storm Water Funds for charges associated with general government operations recorded in the General Fund. These charges are recorded as revenue and expenditures in the budgetary statements and transfers in the financial statements. The charges recorded for the year ended June 30, 2019 were as follows:

	<u>Internal Administration Charge</u>
Street	\$ 20,557
Water	83,944
Sewer	84,225
Storm Water	12,401
	<u>\$ 201,127</u>

CITY OF DUNDEE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

INTERFUND TRANSACTIONS (Continued)

	<i>Budgetary</i>	
	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 96,986	\$ 56,000
Equipment Reserve	139,000	-
Street	-	53,100
State Revenue Sharing	-	5,000
Street CIP	40,000	-
Parks	5,000	-
Water	-	215,786
Sewer	-	745,000
Water CIP	140,000	-
Sewer CIP	666,000	-
Storm Water	-	68,100
Storm Water CIP	56,000	-
	<u>\$ 1,142,986</u>	<u>\$ 1,142,986</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move revenues restricted to debt service from the funds collecting the revenues to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) for interfund charges.

CONTINGENCIES

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

From time to time, the City is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the City's financial position.

SUPPLEMENTAL INFORMATION

CITY OF DUNDEE, OREGON

COMBINING BALANCE SHEET (MODIFIED CASH BASIS) - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

	Special Revenue				Capital Projects		Debt Service	Total
	Street	State Revenue Sharing	Tourism	Urban Renewal	Street Reserve	Parks	Bonded Debt	
ASSETS								
Cash and cash equivalents	\$ 44,739	\$ 2,051	\$ 116,093	\$ 17,190	\$ 44,765	\$ 8,302	\$ 17,810	\$ 250,950
LIABILITIES AND FUND BALANCE								
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance:								
Restricted for:								
Community development	-	-	116,093	17,190	-	-	-	133,283
Debt service	-	-	-	-	-	-	17,810	17,810
Streets	44,739	-	-	-	-	-	-	44,739
Committed to:								
Community development	-	2,051	-	-	-	8,302	-	10,353
Construction	-	-	-	-	44,765	-	-	44,765
Total Fund Balance	44,739	2,051	116,093	17,190	44,765	8,302	17,810	250,950
Total Liabilities and Fund Balance	\$ 44,739	\$ 2,051	\$ 116,093	\$ 17,190	\$ 44,765	\$ 8,302	\$ 17,810	\$ 250,950

CITY OF DUNDEE, OREGON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(MODIFIED CASH BASIS) - NONMAJOR GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2019

	<i>Special Revenue</i>				<i>Capital Projects</i>		<i>Debt Service</i>	<i>Total</i>
	<i>Street</i>	<i>State Revenue Sharing</i>	<i>Tourism</i>	<i>Urban Renewal</i>	<i>Street Reserve</i>	<i>Parks</i>	<i>Bonded Debt</i>	
REVENUES								
Taxes and assessments	\$ 28,743	\$ -	\$ 59,472	\$ 50,798	\$ -	\$ -	\$ 151,311	\$ 290,324
Intergovernmental	235,055	29,662	-	-	-	-	-	264,717
Miscellaneous	1,138	274	22,582	323	950	103	1,059	26,429
<i>Total Revenues</i>	<u>264,936</u>	<u>29,936</u>	<u>82,054</u>	<u>51,121</u>	<u>950</u>	<u>103</u>	<u>152,370</u>	<u>581,470</u>
EXPENDITURES								
Streets	183,924	-	-	-	-	-	-	183,924
Community development	-	14,728	51,971	8,931	-	1,794	-	77,424
Debt Service								
Principal	-	-	-	-	-	-	76,310	76,310
Interest	-	-	-	-	-	-	73,833	73,833
Capital acquisitions	-	15,781	-	25,000	-	85	-	40,866
<i>Total Expenditures</i>	<u>183,924</u>	<u>30,509</u>	<u>51,971</u>	<u>33,931</u>	<u>-</u>	<u>1,879</u>	<u>150,143</u>	<u>452,357</u>
REVENUES OVER (UNDER) EXPENDITURES	81,012	(573)	30,083	17,190	950	(1,776)	2,227	129,113
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	5,000	-	5,000
Transfers out	(73,657)	(5,000)	-	-	-	-	-	(78,657)
<i>Total Other Financing Sources (Uses)</i>	<u>(73,657)</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(73,657)</u>
NET CHANGE IN FUND BALANCE	7,355	(5,573)	30,083	17,190	950	3,224	2,227	55,456
FUND BALANCE, beginning of year	37,384	7,624	86,010	-	43,815	5,078	15,583	195,494
FUND BALANCE, end of year	<u>\$ 44,739</u>	<u>\$ 2,051</u>	<u>\$ 116,093</u>	<u>\$ 17,190</u>	<u>\$ 44,765</u>	<u>\$ 8,302</u>	<u>\$ 17,810</u>	<u>\$ 250,950</u>

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 707,900	\$ 707,900	\$ 720,706	\$ 12,806
Fines and forfeitures	56,000	56,000	64,337	8,337
Licenses and permits	225,300	225,300	234,882	9,582
Charges for services	228,400	228,400	267,238	38,838
Intergovernmental	177,800	177,800	185,126	7,326
Miscellaneous	15,500	15,500	24,567	9,067
<i>Total Revenues</i>	1,410,900	1,410,900	1,496,856	85,956
EXPENDITURES				
Administration/Finance	383,400	383,400	373,136	10,264
Courts	24,700	24,700	24,144	556
Police service	503,200	503,200	503,123	77
Fire service	497,300	497,300	480,327	16,973
Community development	134,900	134,900	128,638	6,262
Contingency	80,000	80,000	-	80,000
<i>Total Expenditures</i>	1,623,500	1,623,500	1,509,368	114,132
REVENUES OVER (UNDER) EXPENDITURES	(212,600)	(212,600)	(12,512)	200,088
OTHER FINANCING SOURCES (USES)				
Transfers in	104,400	104,400	96,986	(7,414)
Transfers out	(56,000)	(56,000)	(56,000)	-
<i>Total Other Financing Sources (Uses)</i>	48,400	48,400	40,986	(7,414)
NET CHANGE IN FUND BALANCE	(164,200)	(164,200)	28,474	192,674
FUND BALANCE, beginning of year	575,900	575,900	580,548	4,648
FUND BALANCE, end of year	\$ 411,700	\$ 411,700	\$ 609,022	\$ 197,322

CITY OF DUNDEE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - EQUIPMENT RESERVE FUND
YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 16,118	\$ (13,882)
EXPENDITURES				
Debt service				
Principal	51,600	51,600	51,549	51
Interest	7,100	7,100	7,079	21
Capital outlay	876,100	876,100	9,093	867,007
<i>Total Expenditures</i>	<u>934,800</u>	<u>934,800</u>	<u>67,721</u>	<u>867,079</u>
REVENUES OVER (UNDER)				
EXPENDITURES	(904,800)	(904,800)	(51,603)	853,197
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>139,000</u>	<u>139,000</u>	<u>139,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(765,800)	(765,800)	87,397	853,197
FUND BALANCE, beginning of year	<u>765,800</u>	<u>765,800</u>	<u>766,738</u>	<u>938</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854,135</u>	<u>\$ 854,135</u>

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET CIP FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 45,700	\$ 45,700	\$ 44,931	\$ (769)
Intergovernmental	720,000	720,000	339,404	(380,596)
Miscellaneous	26,700	26,700	239,065	212,365
<i>Total Revenues</i>	792,400	792,400	623,400	(169,000)
EXPENDITURES				
Debt service				
Principal	29,700	29,700	29,303	397
Interest	17,000	17,000	15,233	1,767
Capital outlay	964,800	964,800	628,808	335,992
<i>Total Expenditures</i>	1,011,500	1,011,500	673,344	338,156
REVENUES OVER (UNDER) EXPENDITURES	(219,100)	(219,100)	(49,944)	169,156
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	40,000	-
Issuance of debt	307,800	307,800	221,000	(86,800)
<i>Total Other Financing Sources (Uses)</i>	347,800	347,800	261,000	(86,800)
NET CHANGE IN FUND BALANCE	128,700	128,700	211,056	82,356
FUND BALANCE, beginning of year	52,400	52,400	84,173	31,773
FUND BALANCE, end of year	\$ 181,100	\$ 181,100	\$ 295,229	\$ 114,129

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - FIRE STATION CONSTRUCTION FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 45,000	\$ 8,500	\$ 7,992	\$ (508)
EXPENDITURES				
Materials and services	35,500	183,000	182,015	985
Capital outlay	-	785,300	746,012	39,288
<i>Total Expenditures</i>	<u>35,500</u>	<u>968,300</u>	<u>928,027</u>	<u>40,273</u>
REVENUES OVER (UNDER)				
EXPENDITURES	9,500	(959,800)	(920,035)	39,765
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,000)	(20,700)	-	20,700
Settlements	-	980,000	980,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>(10,000)</u>	<u>959,300</u>	<u>980,000</u>	<u>20,700</u>
NET CHANGE IN FUND BALANCE	(500)	(500)	59,965	60,465
FUND BALANCE, beginning of year	<u>500</u>	<u>500</u>	<u>249</u>	<u>(251)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,214</u>	<u>\$ 60,214</u>

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 34,000	\$ 34,000	\$ 28,743	\$ (5,257)
Intergovernmental	216,000	216,000	235,055	19,055
Miscellaneous	500	500	1,138	638
<i>Total Revenues</i>	250,500	250,500	264,936	14,436
EXPENDITURES				
Personal services	48,000	48,000	47,416	584
Materials and services	169,500	169,500	157,065	12,435
Contingency	5,000	5,000	-	5,000
<i>Total Expenditures</i>	222,500	222,500	204,481	18,019
REVENUES OVER (UNDER) EXPENDITURES	28,000	28,000	60,455	32,455
OTHER FINANCING SOURCES (USES)				
Transfers out	(53,100)	(53,100)	(53,100)	-
NET CHANGE IN FUND BALANCE	(25,100)	(25,100)	7,355	32,455
FUND BALANCE, beginning of year	31,900	31,900	37,384	5,484
FUND BALANCE, end of year	\$ 6,800	\$ 6,800	\$ 44,739	\$ 37,939

CITY OF DUNDEE, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STATE REVENUE SHARING FUND
YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental	\$ 29,000	\$ 29,000	\$ 29,662	\$ 662
Miscellaneous	100	100	274	174
<i>Total Revenues</i>	29,100	29,100	29,936	836
EXPENDITURES				
Materials and services	15,000	15,000	14,728	272
Capital outlay	16,000	16,000	15,781	219
<i>Total Expenditures</i>	31,000	31,000	30,509	491
REVENUES OVER (UNDER) EXPENDITURES	(1,900)	(1,900)	(573)	1,327
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,000)	(5,000)	(5,000)	-
NET CHANGE IN FUND BALANCE	(6,900)	(6,900)	(5,573)	1,327
FUND BALANCE, beginning of year	7,000	7,000	7,624	624
FUND BALANCE, end of year	\$ 100	\$ 100	\$ 2,051	\$ 1,951

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - TOURISM FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 65,300	\$ 65,300	\$ 59,472	\$ (5,828)
Miscellaneous	2,000	2,000	22,582	20,582
<i>Total Revenues</i>	67,300	67,300	82,054	14,754
EXPENDITURES				
Materials and services	82,500	82,500	51,971	30,529
Capital outlay	72,000	72,000	-	72,000
<i>Total Expenditures</i>	154,500	154,500	51,971	102,529
NET CHANGE IN FUND BALANCE	(87,200)	(87,200)	30,083	117,283
FUND BALANCE, beginning of year	87,400	87,400	86,010	(1,390)
FUND BALANCE, end of year	\$ 200	\$ 200	\$ 116,093	\$ 115,893

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - URBAN RENEWAL FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 38,000	\$ 38,000	\$ 50,798	\$ 12,798
Miscellaneous	400	400	323	(77)
<i>Total Revenues</i>	38,400	38,400	51,121	12,721
EXPENDITURES				
Materials and services	13,400	13,400	8,931	4,469
Capital outlay	25,000	25,000	25,000	-
<i>Total Expenditures</i>	38,400	38,400	33,931	4,469
NET CHANGE IN FUND BALANCE	-	-	17,190	17,190
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 17,190	\$ 17,190

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET RESERVE FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 600	\$ 600	\$ 950	\$ 350
EXPENDITURES				
Capital outlay	44,400	44,400	-	44,400
NET CHANGE IN FUND BALANCE	(43,800)	(43,800)	950	44,750
FUND BALANCE, beginning of year	43,800	43,800	43,815	15
FUND BALANCE, end of year	\$ -	\$ -	\$ 44,765	\$ 44,765

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - PARKS FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental	\$ 16,400	\$ 16,400	\$ -	\$ (16,400)
Miscellaneous	2,600	2,600	103	(2,497)
<i>Total Revenues</i>	19,000	19,000	103	(18,897)
EXPENDITURES				
Materials and services	10,000	10,000	1,794	8,206
Capital outlay	18,000	18,000	85	17,915
<i>Total Expenditures</i>	28,000	28,000	1,879	26,121
REVENUES OVER (UNDER) EXPENDITURES	(9,000)	(9,000)	(1,776)	7,224
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
NET CHANGE IN FUND BALANCE	(4,000)	(4,000)	3,224	7,224
FUND BALANCE, beginning of year	4,800	4,800	5,078	278
FUND BALANCE, end of year	\$ 800	\$ 800	\$ 8,302	\$ 7,502

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - BONDED DEBT FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 148,000	\$ 148,000	\$ 151,311	\$ 3,311
Miscellaneous	600	600	1,059	459
<i>Total Revenues</i>	148,600	148,600	152,370	3,770
EXPENDITURES				
Debt service				
Principal	76,300	76,300	76,310 *	(10)
Interest	73,900	73,900	73,833	67
<i>Total Expenditures</i>	150,200	150,200	150,143	57
NET CHANGE IN FUND BALANCE	(1,600)	(1,600)	2,227	3,827
FUND BALANCE, beginning of year	15,700	15,700	15,583	(117)
FUND BALANCE, end of year	\$ 14,100	\$ 14,100	\$ 17,810	\$ 3,710

* Principal and interest are appropriated at the aggregate level. This is not a budget violation

CITY OF DUNDEE, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - WATER FUNDS

YEAR ENDED JUNE 30, 2019

	<u>Water</u>	<u>Water Capital Improvement</u>	<u>Total Water Operations</u>
REVENUES			
Charges for services	\$ 646,327	\$ -	\$ 646,327
Licenses and permits	-	123,169	123,169
Miscellaneous	4,249	17,025	21,274
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	650,576	140,194	790,770
EXPENDITURES			
Personal services	193,627	-	193,627
Materials and services	218,717	-	218,717
Debt service			
Principal	-	103,658	103,658
Interest	-	13,545	13,545
Capital outlay	24,869	329,807	354,676
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	437,213	447,010	884,223
	<hr/>	<hr/>	<hr/>
REVENUES OVER (UNDER) EXPENDITURES	213,363	(306,816)	(93,453)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	140,000	140,000
Transfers out	(215,786)	-	(215,786)
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	(215,786)	140,000	(75,786)
	<hr/>	<hr/>	<hr/>
CHANGE IN FUND BALANCE	(2,423)	(166,816)	(169,239)
FUND BALANCE, beginning of year	62,360	493,061	555,421
	<hr/>	<hr/>	<hr/>
FUND BALANCE, end of year	\$ 59,937	\$ 326,245	\$ 386,182
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - WATER FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 620,000	\$ 620,000	\$ 646,327	\$ 26,327
Miscellaneous	3,000	3,000	4,249	1,249
<i>Total Revenues</i>	623,000	623,000	650,576	27,576
EXPENDITURES				
Personal services	197,300	197,300	193,627	3,673
Materials and services	230,700	229,500	218,717	10,783
Capital outlay	25,000	25,000	24,869	131
Contingency	20,000	20,000	-	20,000
<i>Total Expenditures</i>	473,000	471,800	437,213	34,587
REVENUES OVER (UNDER) EXPENDITURES	150,000	151,200	213,363	62,163
OTHER FINANCING SOURCES (USES)				
Transfers out	(214,800)	(216,000)	(215,786)	214
<i>Total Other Financing Sources and Uses</i>	(214,800)	(216,000)	(215,786)	214
CHANGE IN FUND BALANCE	(64,800)	(64,800)	(2,423)	62,377
FUND BALANCE, beginning of year	69,100	69,100	62,360	(6,740)
FUND BALANCE, end of year	\$ 4,300	\$ 4,300	\$ 59,937	\$ 55,637

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - WATER CIP FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 36,800	\$ 36,800	\$ 123,169	\$ 86,369
Miscellaneous	8,200	8,200	17,025	8,825
<i>Total Revenues</i>	45,000	45,000	140,194	95,194
EXPENDITURES				
Debt service				
Principal	103,600	103,600	103,658 *	(58)
Interest	13,700	13,700	13,545	155
Capital outlay	342,000	342,000	329,807	12,193
<i>Total Expenditures</i>	459,300	459,300	447,010	12,290
REVENUES OVER (UNDER) EXPENDITURES	(414,300)	(414,300)	(306,816)	107,484
OTHER FINANCING SOURCES (USES)				
Transfers in	140,000	140,000	140,000	-
CHANGE IN FUND BALANCE	(274,300)	(274,300)	(166,816)	107,484
FUND BALANCE, beginning of year	469,000	469,000	493,061	24,061
FUND BALANCE, end of year	\$ 194,700	\$ 194,700	\$ 326,245	\$ 131,545

* Principal and interest are appropriated at the aggregate level. This is not a budget violation

CITY OF DUNDEE, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - SEWER FUNDS****YEAR ENDED JUNE 30, 2019**

	<u>Sewer</u>	<u>Sewer Capital Improvement</u>	<u>Total Sewer Operations</u>
REVENUES			
Charges for services	\$ 1,318,350	\$ -	\$ 1,318,350
Licenses and permits	-	72,880	72,880
Miscellaneous	2,253	11,905	14,158
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	1,320,603	84,785	1,405,388
EXPENDITURES			
Personal services	194,177	-	194,177
Materials and services	264,339	-	264,339
Debt service			
Principal	-	450,386	450,386
Interest	-	239,941	239,941
Capital outlay	-	40,033	40,033
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	458,516	730,360	1,188,876
	<hr/>	<hr/>	<hr/>
REVENUES OVER (UNDER) EXPENDITURES	862,087	(645,575)	216,512
OTHER FINANCING SOURCES (USES)			
Transfers in	-	666,000	666,000
Transfers out	(745,000)	-	(745,000)
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	(745,000)	666,000	(79,000)
	<hr/>	<hr/>	<hr/>
CHANGE IN FUND BALANCE	117,087	20,425	137,512
FUND BALANCE, beginning of year	40,465	493,667	534,132
	<hr/>	<hr/>	<hr/>
FUND BALANCE, end of year	\$ 157,552	\$ 514,092	\$ 671,644
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SEWER FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 1,286,600	\$ 1,286,600	\$ 1,318,350	\$ 31,750
Miscellaneous	1,400	1,400	2,253	853
<i>Total Revenues</i>	1,288,000	1,288,000	1,320,603	32,603
EXPENDITURES				
Personal services	196,300	196,300	194,177	2,123
Materials and services	367,500	365,900	264,339	101,561
Contingency	20,000	20,000	-	20,000
<i>Total Expenditures</i>	583,800	582,200	458,516	123,684
REVENUES OVER (UNDER) EXPENDITURES	704,200	705,800	862,087	156,287
OTHER FINANCING SOURCES (USES)				
Transfers out	(743,400)	(745,000)	(745,000)	-
CHANGE IN FUND BALANCE	(39,200)	(39,200)	117,087	156,287
FUND BALANCE, beginning of year	43,700	43,700	40,465	(3,235)
FUND BALANCE, end of year	\$ 4,500	\$ 4,500	\$ 157,552	\$ 153,052

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SEWER CIP FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 35,000	\$ 35,000	\$ 72,880	\$ 37,880
Miscellaneous	13,600	13,600	11,905	(1,695)
<i>Total Revenues</i>	48,600	48,600	84,785	36,185
EXPENDITURES				
Debt service				
Principal	450,400	450,400	450,386	14
Interest	240,000	240,000	239,941	59
Capital outlay	36,000	41,000	40,033	967
<i>Total Expenditures</i>	726,400	731,400	730,360	1,040
REVENUES OVER (UNDER) EXPENDITURES	(677,800)	(682,800)	(645,575)	37,225
OTHER FINANCING SOURCES (USES)				
Transfers in	666,000	666,000	666,000	-
CHANGE IN FUND BALANCE	(11,800)	(16,800)	20,425	37,225
FUND BALANCE, beginning of year	487,800	492,800	493,667	867
FUND BALANCE, end of year	\$ 476,000	\$ 476,000	\$ 514,092	\$ 38,092

CITY OF DUNDEE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(MODIFIED CASH BASIS) - STORMWATER FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Storm Water</u>	<u>Storm Water Capital Improvement</u>	<u>Total Storm Water Operations</u>
REVENUES			
Charges for services	\$ 108,597	\$ -	\$ 108,597
Licenses and permits	-	26,796	26,796
Miscellaneous	832	11,568	12,400
<i>Total Revenues</i>	109,429	38,364	147,793
EXPENDITURES			
Personal services	28,600	-	28,600
Materials and services	20,389	-	20,389
Debt service			
Principal	-	20,878	20,878
Interest	-	2,720	2,720
Capital outlay	-	66,089	66,089
<i>Total Expenditures</i>	48,989	89,687	138,676
REVENUES OVER (UNDER) EXPENDITURES	60,440	(51,323)	9,117
OTHER FINANCING SOURCES (USES)			
Transfers in	-	56,000	56,000
Transfers out	(68,100)	-	(68,100)
<i>Total Other Financing Sources (Uses)</i>	(68,100)	56,000	(12,100)
CHANGE IN FUND BALANCE	(7,660)	4,677	(2,983)
FUND BALANCE, beginning of year	20,298	83,235	103,533
FUND BALANCE, end of year	<u>\$ 12,638</u>	<u>\$ 87,912</u>	<u>\$ 100,550</u>

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STORM WATER FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 109,800	\$ 109,800	\$ 108,597	\$ (1,203)
Miscellaneous	600	600	832	232
<i>Total Revenues</i>	110,400	110,400	109,429	(971)
EXPENDITURES				
Personal services	28,800	28,800	28,600	200
Materials and services	25,700	25,700	20,389	5,311
Contingency	5,000	5,000	-	5,000
<i>Total Expenditures</i>	59,500	59,500	48,989	10,511
REVENUES OVER (UNDER) EXPENDITURES	50,900	50,900	60,440	9,540
OTHER FINANCING SOURCES (USES)				
Transfers out	(68,100)	(68,100)	(68,100)	-
CHANGE IN NET POSITION	(17,200)	(17,200)	(7,660)	9,540
NET POSITION, beginning of year	19,600	19,600	20,298	698
NET POSITION, end of year	\$ 2,400	\$ 2,400	\$ 12,638	\$ 10,238

CITY OF DUNDEE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STORM WATER CIP FUND

YEAR ENDED JUNE 30, 2019

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 26,796	\$ 11,796
Miscellaneous	1,200	1,200	11,568	10,368
<i>Total Revenues</i>	16,200	16,200	38,364	22,164
EXPENDITURES				
Debt service				
Principal	20,900	20,900	20,878	22
Interest	2,800	2,800	2,720	80
Capital outlay	125,600	125,600	66,089	59,511
<i>Total Expenses</i>	149,300	149,300	89,687	59,613
REVENUES OVER (UNDER) EXPENDITURES	(133,100)	(133,100)	(51,323)	81,777
OTHER FINANCING SOURCES (USES)				
Transfers in	56,000	56,000	56,000	-
CHANGE IN FUND BALANCE	(77,100)	(77,100)	4,677	81,777
FUND BALANCE, beginning of year	77,900	77,900	83,235	5,335
FUND BALANCE, end of year	\$ 800	\$ 800	\$ 87,912	\$ 87,112

COMPLIANCE SECTION



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

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

City Council Members
City of Dundee, Oregon
P. O. Box 220
Dundee, Oregon 97115

We have audited, in accordance with the 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 the City of Dundee, Oregon, (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 26, 2019.

Internal Control over Financial Reporting

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



CERTIFIED PUBLIC ACCOUNTANTS
November 26, 2019



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

City Council Members
City of Dundee, Oregon
P. O. Box 220
Dundee, Oregon 97115

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Dundee, Oregon (the City) as of and for the year ended June 30, 2019, and have issued our report thereon dated November 26, 2019.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials - no money was collected or received by elected officials.**

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Internal Control Over Financial Reporting

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

Restriction on Use

This report is intended solely for the information and use of the City Council, management of the City, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, A Shareholder
November 26, 2019

**CITY COUNCIL MEETING
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November 19, 2019**

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City of Dundee
City Council Meeting Minutes
November 19, 2019

Call to Order

Mayor David Russ called the meeting to order at 7:00 P.M.

Council and Staff Attendance

Present: Mayor David Russ; Council President Tim Weaver; Councilors Kristen Svicarovich, Ted Crawford, Jeannette Adlong, Storr Nelson and Patrick Kelly. Staff members: Rob Daykin, City Administrator; Bill Monahan, City Attorney; and Melissa Lemen, Administrative Assistant.

Public Attendance

Sean O'Day, Executive Director, Mid-Willamette Valley Council of Governments; and Mary Michelle Sosne, Actuarial Business Specialist, PERS.

Agenda Changes

Agenda item 7.2 Procurement Process for the Tourism Website and Social Media Services Agreement was added to New Business.

Public Comment

None.

Consent Agenda

A **motion** was made and seconded to approve Consent Agenda Item 5.1 City Council Minutes, November 5, 2019 and Item 5.2 Financial Report Ending October 31, 2019. **The motion** passed unanimously.

Old Business

2020 Council Goal Setting Process

Sean O'Day, Executive Director, Mid-Willamette Valley Council of Governments, approached Council. He discussed that over the last year the Staff and the Board of the COG have been looking at ways to help their members do effective strategic level goal setting within their means. He described a three step program which includes educating about what strategic management/strategic goal setting looks like, a facilitated goal setting session where objectives are set, and then through the life of that Plan (potentially 2 years) and during off-years complete the refresh or task level management. O'Day explained that the Board is reviewing this 3-step process and will be making a final decision in December. He discussed that the COG would provide, as a benefit of membership, the education of what strategic planning looks like, negotiate a fixed fee contract with service providers that members could enter into for the facilitated goal setting, and then as a benefit of membership the COG would come back and do that refresh of the task list though it would be somewhat different than the way it was done in the past.

C. Svicarovich inquired about the details of the facilitated goal setting process. O'Day explained that Step 1 (educational component) typically involves about 30 minutes of time, Step 2 (facilitated goal setting) can take as much or as little time as they determine necessary, and Step 3 (means portion) typically will last about an hour. O'Day discussed that the more time put into the facilitated goal setting portion the better the product will be, and many spend a half of a day on

this step (4-6 hours) with a lot of prep work done ahead of time by the facilitator. Detailed discussion ensued.

O'Day provided a PowerPoint presentation with regard to Strategic Level Leadership. He discussed in detail his background and specific interest in organizational development and strategic level planning. O'Day reviewed the governing basics of transparency and accountability. He discussed that goal setting would be done through an open meeting where the public is allowed to attend, though public participation would be at the discretion of the Council. O'Day discussed City Government structure in Oregon and described what it means to be a Home Rule State. O'Day discussed the roles of local government and the fact that the City of Dundee utilizes a modified version, a Mayor and Council form of government who has chosen to begin making the migration to a Council Manager form of government with an administrator. He encouraged Council to become familiar with the roles and responsibilities provided to them as well as the duties and responsibilities provided to their City Administrator. Discussion ensued and he encouraged Council to consider where the line will fall between Council setting policy and the Council running the operation. O'Day discussed entering into a strategic mindset as they move forward into goal setting. He explained the Ends, Ways, Means construct, as outlined in his presentation. O'Day explained the S.M.A.R.T. acronym and the importance of incorporating this into goal setting/strategic planning. He pointed out that though this process is a lot of work and a big time commitment, the payoff can be very rewarding and productive; aligning available resources with what Council has decided they would like the community to look like, and doing so through ways that are S.M.A.R.T., a lot will be accomplished. O'Day stated that Council's previous "goal setting" falls short in comparison to the benefits of strategic planning. O'Day offered that the COG can continue to offer support to refresh their list of goals if that is the direction Council wishes to continue (including an hour of free service), though he encouraged them to take some time to think about the concepts presented tonight. He also encouraged them to consider putting resources towards having a facilitator come in and spend the time with them to truly develop a strategic plan to assist them in moving the community forward.

C. Svicarovich inquired about whether their strategic plan, along with their list of goals, could work together; she voiced support of the valuable items in their list of goals which have been used effectively to make advances over time. O'Day discussed that these two items would work together; their list of projects, along with the broad list of goals, can work together to help create a more aligned strategic plan. Detailed discussion ensued.

C. Nelson voiced support of moving forward with this new approach; it would be a better use of their time. C. Adlong pointed out that moving forward in this way may be important looking ahead as there will likely be a new city administrator in the next couple of years; strategic planning would help a new employee better understand and define the direction Council would like to go. C.A. Daykin discussed that if Council desires to move forward with this approach a facilitator would be required as well as a significant commitment of time from the City Councilors to participate in the process; a separate meeting outside of a regular Council meeting would be held. The consensus of Council was to move forward with this strategic planning approach.

C. Nelson inquired about the 2020 Vision Statement to which C.A. Daykin discussed was produced around 2000. C. Nelson noted that a review of this information may be helpful.

PERS Side Account Incentive Program

Mary Michelle Sosne, Actuarial Business Specialist, PERS, was present at the meeting and available to answer any questions. C.A. Daykin reviewed that the next opportunity for the City of Dundee to make application is December 2, 2019. He explained that the expectation is that this is

going to be a very competitive process at this point. Sosne stated that the application opportunity opens at 10:00 a.m. on December 2, 2019; applications are approved on a first-come, first-serve basis. Sosne introduced herself and discussed the services she provides to employers. She explained that she has been working with C.A. Daykin on and off since last year when EIF was first discussed. C.A. Daykin reviewed the two-phase process, noting agencies having an unfunded actuarial liability that was greater than 200% of payroll were allowed to make application starting on September 3, 2019. Dundee is below that threshold and must wait for the next opportunity on December 2. It was noted that applications are submitted through Survey Monkey and time stamped and ordered as they are received. Sosne clarified that the requirements are a \$25,000 minimum payment, the funds aren't borrowed, and that it's intended to be an easy process. She explained that this is the first time the legislature is providing funds and no additional restrictions were placed by PERS (beyond those which were already in place).

M. Russ inquired as to whether the contribution is included in the application and whether this can be changed after the application is made. Sosne confirmed that the contribution is included in the application and explained that it can be changed up to five days before the intended lump sum payment date (which is indicated in the application). Sosne noted that the payment date can also be changed but not later than August 31, 2020. She explained that there are two options for doing so which she reviewed in detail; C.A. Daykin has also been provided with this information. Detailed discussion ensued with regard to the process.

C. Crawford inquired as to when property taxes are expected to be received to which C.A. Daykin explained that the bulk of them come in November and December. Daykin noted that the General Fund will need enough cash on hand at the start of the fiscal year until collections from the new property are received. C.A. Daykin reviewed his recommendations as detailed in his agenda report beginning on page 41. C. Crawford inquired about the annual expected growth of PERS pension funds to which Sosne explained varies from year to year; the assumed rate is 7.2% though last year it was 0.56% and so far this year it's 8.5%.

C.A. Daykin explained that he learned after his memo went out that the City does have the ability to state more in the initial application and reduce it based on budget realities. He pointed out that his recommendation is now revised from what is contained in his agenda report. Sosne explained that funds can be decreased from the EIF funds though they cannot be increased unless a new application is submitted, though with the current interest from employers she does not believe there will be additional funds available to support that option.

C. Nelson inquired about how many agencies were eligible for the September 3, 2019 early application and how many applications were received. Sosne explained that there were over 200 employers who were eligible for the first round and 46 employers took advantage of it with 49 applications received; the total amount of matching funds from EIF was just over \$15 million. C. Nelson inquired about how many agencies may be applying in the upcoming second phase to which Sosne explained the initial estimates add up to just at \$75 million from employers who have shared what they anticipate they will be asking for (this leaves \$25 million). It was noted that everyone is first come, first serve, even those who have indicated what they will apply for. Sosne explained that if the last applicant is unable to be fully funded will be given the option of being partially funded or be placed first on the waiting list for the next available funds to be fully matched.

C.A. Daykin inquired about future funding opportunities. Sosne discussed that in July 2020 they will be receiving funds from repatriated capital income which is expected to be about \$25 million, and all proceeds from the sports betting that was introduced this year are intended to go towards EIF as well. Sosne discussed her belief that there is a lot of distrust for how the PERS fund has

been managed in the past and concern for how that will look moving forward. She explained that legislative changes have corrected those issues encountered in the past, and there are statutory limitations now in place. Additional discussion ensued and Sosne shared her belief that a lot of employers are waiting to see how things go this round, and she anticipates there will be a lot more participation moving forward.

C.A. Daykin discussed PERS provided a forecasting tool with the EIF application program, referenced in his memo, and in looking at that tool there is a sizeable increase in the next biennial PERS contribution rate structure and then flattens out for future years. Sosne explained that with Senate Bill 1049 the goal was to make employer rates more steady; there will be quite few changes seen coming up for 2021-2023 and 2023-2025 rates; the most significant change will be a temporary re-amortization of Tier 1/Tier 2 UAL for just the 2021-2023 rates which she explained in detail. These changes will mitigate the rate increase currently shown in the forecasting tool.

C.A. Daykin inquired about the effects of the City retiring out all Tier 1/Tier 2 employees over the next 3-4 years and how that would be handled by PERS. Sosne explained that the OPSERP salary would increase for the future bienniums on the employer contributions, and it reduces Tier 1/Tier 2. She pointed out that the City will still have obligations to those who have retired out if they have anyone who inherited those benefits after them and as long as they intend to receive those.

C.A. Daykin inquired about whether there are peer reviews of different state retirement systems and, if so, how Oregon ranks in terms of the overall 50 states in their managed systems. Sosne discussed that she is aware that Oregon was the second most complex program of the fifty states. With regard to funded status, Sosne explained her belief that Oregon falls towards the middle upper ranking. Additional detailed discussion ensued.

C.A. Daykin provided Council with a copy of a spreadsheet which was prepared for their review if they wish to participate in the program. He discussed his recommendation that the City make application for a \$400,000 contribution, which would have a match of \$100,000, for a total deposit of \$500,000. Though C.A. Daykin explained that he doesn't know if the City could fully fund it by the due date, through the budgeting process this could be examined more carefully. He explained that the spreadsheet was provided to reflect the impacts to the pertinent funds. Detailed discussion ensued and C.A. Daykin pointed out that the sewer fund would likely be the most difficult. He discussed that there will be additional discussions in early February about some recommended sewer projects that the City may have to undertake, including planning for the eventual replacement of the MBRs. C.A. Daykin discussed the decision-making process in detail, and noted that a final decision on the actual amount to pay into the side account would need to be made 30 days prior to the decided upon due date in order to allow for completion of an actuarial review that would be used to implement the PERS rate offset starting with the payment date.

A motion was made and seconded authorizing the city administrator to make application for the PERS Employer Incentive Fund program in the amount of \$400,000 and to request preparation of an actuarial report based on the side account payment date of August 1, 2020. **The motion** passed unanimously.

New Business

PGE Undergrounding Design

Mayor Russ voiced support and suggested moving forward with the PGE Undergrounding.

C. Crawford inquired about the street light project. C.A. Daykin explained that C.E. Reid has been doing a lot of the footwork himself (which the consultant should be doing) in effort to keep things moving forward. He discussed that C.E. Reid had been physically measuring the distance where poles and structures will be located underneath the existing wires and has found several areas where there are potential conflicts; now the process of resolving those issues must begin, though that appears to be the only thing holding things back. Discussion ensued.

A **motion** was made and seconded to direct the city engineer to initiate a work order with PGE for the installation of conduits and vaults to accommodate future undergrounding of PGE primary and secondary crossings of the highway. **The motion** passed unanimously.

Procurement Process for the Tourism Website and Social Media Services Agreement

C.A. Daykin provided Council with a draft of RFP that he was producing, though noted that of more concern is the process itself. He explained that the Dundee Municipal Code has this covered under Section 3.12.020 Personal Service Contracts. C.A. Daykin discussed that Section B provides the process for contracts which exceed \$25,000; essentially authority is placed with the city administrator to place the announcement, draft up the RFP, go through the selection process and award the contract. Discussion ensued. C.A. Daykin suggested Council provide authority for the Tourism Committee to actually review the RFP's and give them the authority to allow the city administrator to execute the contract based on the Tourism Committee's suggestion. Support for this was voiced by M. Russ and C. Weaver. C.A. Daykin suggested that a multi-year term with a possibility of an additional renewal would be ideal. He explained that the contract does provide for termination with a 30-day notice. Discussion ensued. **A motion** was made and seconded to authorize the city administrator to have the Tourism Committee undertake the responsibility for interviewing applicants under the program and to arrange for a term within the contract that is a multiyear term with termination opportunities. **The motion** passed unanimously.

Council Concerns and Committee Reports

None.

Mayor's Report

None.

City Administrator's Report

C.A. Daykin informed that Planner Cheryl Caines has resigned from her position at the City of Newberg effective December 11, 2019; she will be moving out of state. C.A. Daykin discussed that there is a body of work that they have been working on with Planning Commission; there have been multiple workshop sessions covering Code changes which have now stopped. He explained that Doug Rux, the Community Development Director for the City of Newberg, is talking to the COG now and arranging for an interim person to come in to assist with the City of Dundee; their existing Staff (at the City of Newberg) will not be able to provide the same level of service and their workloads are very heavy. C.A. Daykin shared that Rux expects the recruitment process for a replacement to take approximately 2-3 months. C.A. Daykin explained that the City does expect to receive two land use applications at some point soon, the cell tower conditional use application as well as possibly a subdivision in the next few weeks. He discussed that there will likely be hearings before the Planning Commission in January; City Staff will seek assistance from the COG through that process. C.A. Daykin explained that this change in Staff will also impact the body of work that was going to be completed with regard to vacation rentals; this process will be completed though C.A. Daykin discussed the importance of waiting until a new Planner is recruited so there is some continuity with that process.

C.A. Daykin discussed that the FY 2018-19 audit is almost complete; the City will be coming back with a clean audit report. He discussed that the auditor will likely make a presentation at the next Council meeting on December 3, 2019, though noted that if the timing doesn't work out for that meeting, he will likely come to the first meeting in January.

C.A. Daykin discussed that the floor work in the Fire Department is essentially completed; there is some clean-up that needs to be done. He explained that Jim Omundson is very pleased with the performance of the contractor. C.A. Daykin explained that there is some additional work that the contractor is requesting funding for and he will be meeting with Jim Omundson tomorrow to discuss out the details.

C.A. Daykin discussed that the Community Survey link will be available beginning tomorrow on the City website. He also explained that an additional reminder notice will be provided in the next utility billing statements that are mailed out.

Public Comment

None.

The meeting was adjourned at 8:16 P.M.

David Russ, Mayor

Attest:

Rob Daykin, City Administrator/Recorder

2020 MEETING CALENDAR

CITY COUNCIL	
Time: 7:00 pm to 10:00 pm	
Location: Fire Hall	
Tuesday	January 7th
Tuesday	January 21st
Tuesday	February 4th
Tuesday	February 18th
Tuesday	March 3rd
Tuesday	March 17th
Tuesday	April 7th
Tuesday	April 21st
Tuesday	May 5th
Tuesday	May 19th
Tuesday	June 2nd
Tuesday	June 16th
Tuesday	July 7th
Tuesday	July 21st
Tuesday	August 4th
Tuesday	August 18th
Tuesday	September 1st
Tuesday	September 15th
Tuesday	October 6th
Tuesday	October 20th
Tuesday	November 3rd
Tuesday	November 17th
Tuesday	December 1st
Tuesday	December 15th

PLANNING COMMISSION	
Time: 7:00 pm to 10:00 pm	
Location: City Hall	
Wednesday	January 15th
Wednesday	February 19th
Wednesday	March 18th
Wednesday	April 15th
Wednesday	May 20th
Wednesday	June 17th
Wednesday	July 15th
Wednesday	August 19th
Wednesday	September 16th
Wednesday	October 21st
Wednesday	November 18th
Wednesday	December 16th

BUDGET COMMITTEE	
Time: 7:00 pm to 10:00 pm	
Location: Fire Hall	
Thursday	April 23rd
Thursday	April 30th
Thursday	May 7th
Thursday	May 14th

MUNICIPAL COURT	
Dates are subject to change.	
Time 5:30 pm to 8:00 pm	
Location: City Hall	
Tuesday	January 14th
Tuesday	February 11th
Tuesday	March 10th
Tuesday	April 14th
Tuesday	May 12th
Tuesday	June 9th
Tuesday	July 14th
Tuesday	August 11th
Tuesday	September 8th
Tuesday	October 13th
Tuesday	November 10th
Tuesday	December 8th

PARKS ADVISORY COMMITTEE	
Time: 7:00 pm to 10:00 pm	
Location: City Hall	
Wednesday	January 8th
Wednesday	February 5th
Wednesday	March 4th
Wednesday	April 1st
Wednesday	May 6th
Wednesday	June 3rd
Wednesday	July 1st
Wednesday	August 5th
Wednesday	September 2nd
Wednesday	October 7th
Wednesday	November 4th
Wednesday	December 2nd

HOLIDAYS: CITY HALL CLOSED		
Thursday	January 1st	New Year's Day
Monday	January 20th	Martin Luther King Jr. Day
Monday	February 17th	President's Day
Monday	May 25th	Memorial Day
Friday	July 3rd	Independence Day
Monday	September 7th	Labor Day
Wednesday	November 11th	Veteran's Day (Observed)
Thursday	November 26th	Thanksgiving Day
Friday	November 27th	Day after Thanksgiving
Thursday	December 24th	Christmas Eve-Closing at 12:00 PM
Friday	December 25th	Christmas
Thursday	December 31st	New Years Eve- Closing at 12:00 PM

TOURISM COMMITTEE	
Time: 8:30 am to 10:00 am	
Location: City Hall	
Wednesday	January 29th
Wednesday	February 26th
Wednesday	March 25th
Wednesday	April 29th
Wednesday	May 27th
Wednesday	June 24th
Wednesday	July 29th
Wednesday	August 26th
Wednesday	September 30th
Wednesday	October 28th
Wednesday	November 25th
Wednesday	December 30th

AGENDA REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: November 27, 2019
Re: 2020 Small City Allotment (SCA) Grant Agreement

Based on the recommendations of the SCA Advisory Committee, Dundee's application of a \$100,000 SCA grant for the paving of Red Hills Drive was approved pending execution of the attached grant agreement. This was a very competitive process. ODOT reviewed 102 eligible applications with a total request of \$9.8 million and awarded 53 projects, including Dundee's, totaling \$5.2 million. For the second year in a row ODOT completely updated the SCA grant agreement. While the number of pages has nearly doubled, the new format essentially covers the same terms and conditions as in the prior agreement. Most of the new provisions in the updated agreement deals with work taking place on or along a state highway.

Recommendation: Council motion to authorize the city administrator to execute the 2020 SCA grant agreement with ODOT.

GRANT AGREEMENT
OREGON DEPARTMENT OF TRANSPORTATION
2020 SMALL CITY ALLOTMENT (SCA) PROGRAM
SW Red Hills Drive Improvement Project
City of Dundee

This Grant Agreement (“Agreement”) is made and entered into by and between the State of Oregon, acting by and through its Department of Transportation (“ODOT”), and City of Dundee, acting by and through its Governing Body, (“Recipient”), both referred to individually or collectively as “Party” or “Parties.”

1. **Effective Date.** This Agreement shall become effective on the date this Agreement is fully executed and approved as required by applicable law (the “Effective Date”). The availability of Grant Funds (as defined in Section 3) shall end two (2) years after the Effective Date (the “Availability Termination Date”).
2. **Agreement Documents.** This Agreement consists of this document and the following documents:
 - a. Exhibit A: **Project Description**
 - b. Exhibit B: **Recipient Requirements**
 - c. Exhibit C: **Subagreement Insurance Requirements**
 - d. Exhibit D: **Documentation provided by Recipient prior to execution of the Agreement (i.e. application, Part 1 of the Project Prospectus, or similar)**

Exhibits A, B and C are attached to this Agreement. Exhibit D is incorporated by reference. In the event of a conflict between two or more of the documents comprising this Agreement, the language in the document with the highest precedence shall control. The precedence of each of the documents comprising this Agreement is as follows, listed from highest precedence to lowest precedence: this Agreement without Exhibits; Exhibit A; Exhibit B; Exhibit C; Exhibit D.

3. **Project Cost; Grant Funds.** The total estimated Project cost is \$151,030. In accordance with the terms and conditions of this Agreement, ODOT shall provide Recipient grant funds in a total amount not to exceed \$100,000 (the “Grant Funds”). Recipient will be responsible for all Project costs not covered by the Grant Funds.
4. **Project.**
 - a. **Use of Grant Funds.** The Grant Funds shall be used solely for the Project described in Exhibit A (the “Project”) and shall not be used for any other purpose. No Grant Funds will be disbursed for any changes to the Project unless ODOT approves such changes by amendment pursuant to Section 4(c).

b. **Eligible Costs.** Recipient may seek reimbursement for its actual costs to develop the Project, consistent with the terms of this Agreement (“Eligible Costs”).

i. Eligible Costs are actual costs of Recipient to the extent those costs are:

- (A) reasonable, necessary and directly used for the Project;
- (B) permitted by generally accepted accounting principles established by the Governmental Accounting Standards Board, as reasonably interpreted by the State, to be capitalized to an asset that is part of the Project; and
- (C) eligible or permitted uses of the Grant Funds under the Oregon Constitution, the statutes and laws of the state of Oregon, and this Agreement.

ii. Eligible Costs do NOT include:

- (A) operating and working capital or operating expenditures charged to the Project by Recipient;
- (B) loans or grants to be made to third parties;
- (C) any expenditures incurred before the Effective Date or after the Availability Termination Date; or
- (D) costs associated with the Project that substantially deviate from Exhibit A, Project Description, unless such changes are approved by ODOT by amendment of this Agreement;
- (E) right of way costs; or
- (F) costs to adjust, reconstruct or relocate utilities.

c. **Project Change Procedures.**

i. If Recipient anticipates a change in scope or Availability Termination Date, Recipient shall submit a written request to their ODOT Contact. The request for change must be submitted before the change occurs.

ii. Recipient shall not proceed with any changes to scope or Availability Termination Date before the execution of an amendment to this Agreement executed in response to ODOT’s approval of a Recipient’s request for change. A request for change may be rejected at the sole discretion of ODOT.

5. **Reimbursement Process.**

a. ODOT shall reimburse Recipient for Eligible Costs up to the Grant Fund amount provided in Section 3. ODOT shall reimburse Eligible Costs within forty-five (45) days of ODOT’s receipt and approval of a request for reimbursement from Recipient. Recipient must pay its contractors,

consultants and vendors before submitting a request for reimbursement to ODOT for reimbursement.

- b. On or after the Effective Date, and upon written request by Recipient, ODOT may advance to Recipient 50% of the Grant Funds to the Recipient.
- c. Each reimbursement request shall be submitted on letterhead to the ODOT Contact and include the Agreement number, the start and end date of the billing period, and itemize all expenses for which reimbursement is claimed. Upon request by ODOT, Recipient shall provide to ODOT proof of payment and backup documentation supporting Recipient's reimbursement requests.
- d. Recipient shall, no later than ninety (90) days after the completion of the Project or Availability Termination Date, whichever occurs earlier, submit a final reimbursement request for the remaining eligible costs of Project which, when added to any amount previously advanced by State, shall not exceed the actual total cost of the Project or the Grant Funds, whichever is less. Failure to submit the final request for reimbursement within ninety (90) days could result in non-payment.
- e. For any Project element described in Exhibit A, or required by law that is not constructed under this Agreement, ODOT may withhold payment until the work is completed or may reduce the final reimbursement request amount, at ODOT's discretion, in an amount commensurate with the work not performed.
- f. Upon ODOT's receipt of the final reimbursement request, ODOT will conduct a final on-site review of the Project. ODOT will withhold payment of the final reimbursement request until the ODOT Contact, or designee, has completed the final review and accepted the Project as complete.
- g. ODOT's obligation to disburse Grant Funds to Recipient is subject to the satisfaction, with respect to each disbursement, of each of the following conditions precedent:
 - i. ODOT has received funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow ODOT, in the exercise of its reasonable administrative discretion, to make the disbursement.
 - ii. Recipient is in compliance with the terms of this Agreement.
 - iii. Recipient's representations and warranties set forth in Section 6 are true and correct on the date of disbursement with the same effect as though made on the date of disbursement.
- h. Recovery of Grant Funds. Any Grant Funds disbursed to Recipient under this Agreement that are expended in violation of one or more of the provisions of this Agreement ("Misexpended Funds") must be returned to ODOT. Recipient shall return all Misexpended Funds to ODOT promptly after ODOT's written demand and no later than fifteen (15) days after ODOT's written demand.

6. Representations and Warranties of Recipient. Recipient represents and warrants to ODOT as follows:

- a. Organization and Authority.** Recipient is duly organized and validly existing under the laws of the State of Oregon and is eligible to receive the Grant Funds. Recipient has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder, and the making and performance by Recipient of this Agreement (1) have been duly authorized by all necessary action of Recipient and (2) do not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of Recipient's Articles of Incorporation or Bylaws, if applicable, (3) do not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which Recipient is a party or by which Recipient or any of its properties may be bound or affected. No authorization, consent, license, approval of, filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by Recipient of this Agreement.
- b. Binding Obligation.** This Agreement has been duly executed and delivered by Recipient and constitutes a legal, valid and binding obligation of Recipient, enforceable in accordance with its terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally.
- c. No Solicitation.** Recipient's officers, employees, and agents shall neither solicit nor accept gratuities, favors, or any item of monetary value from contractors, potential contractors, or parties to subagreements. No member or delegate to the Congress of the United States or State of Oregon employee shall be admitted to any share or part of this Agreement or any benefit arising therefrom.
- d. No Debarment.** Neither Recipient nor its principals is presently debarred, suspended, or voluntarily excluded from any federally-assisted transaction, or proposed for debarment, declared ineligible or voluntarily excluded from participating in this Agreement by any state or federal agency. Recipient agrees to notify ODOT immediately if it is debarred, suspended or otherwise excluded from any federally assisted transaction for any reason or if circumstances change that may affect this status, including without limitation upon any relevant indictments or convictions of crimes.
- e. Compliance with Oregon Taxes, Fees and Assessments.** Recipient is, to the best of the undersigned(s) knowledge, and for the useful life of the Project will remain, current on all applicable state and local taxes, fees and assessments.

7. Records Maintenance and Access; Audit.

- a. Records, Access to Records and Facilities.** Recipient shall make and retain proper and complete books of record and account and maintain all fiscal records related to this Agreement and the Project in accordance with all applicable generally accepted accounting principles, generally accepted governmental auditing standards and state minimum standards for audits of municipal corporations. Recipient shall ensure that each of its subrecipients and subcontractors

complies with these requirements. ODOT, the Secretary of State of the State of Oregon (the "Secretary") and their duly authorized representatives shall have access to the books, documents, papers and records of Recipient that are directly related to this Agreement, the Grant Funds, or the Project for the purpose of making audits and examinations. In addition, ODOT, the Secretary and their duly authorized representatives may make and retain excerpts, copies, and transcriptions of the foregoing books, documents, papers, and records. Recipient shall permit authorized representatives of ODOT and the Secretary to perform site reviews of the Project, and to inspect all vehicles, real property, facilities and equipment purchased by Recipient as part of the Project, and any transportation services rendered by Recipient.

- b. **Retention of Records.** Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Agreement, the Grant Funds or the Project for a period of six (6) years after final payment. If there are unresolved audit questions at the end of the period described in this section, Recipient shall retain the records until the questions are resolved.
- c. **Expenditure Records.** Recipient shall document the expenditure of all Grant Funds disbursed by ODOT under this Agreement. Recipient shall create and maintain all expenditure records in accordance with generally accepted accounting principles and in sufficient detail to permit ODOT to verify how the Grant Funds were expended.

This Section 7 shall survive any expiration or termination of this Agreement.

8. Recipient Subagreements and Procurements

- a. **Subagreements.** Recipient may enter into agreements with sub-recipients, contractors or subcontractors (collectively, "subagreements") for performance of the Project.
 - i. All subagreements must be in writing, executed by Recipient and must incorporate and pass through all of the applicable requirements of this Agreement to the other party or parties to the subagreement(s). Use of a subagreement does not relieve Recipient of its responsibilities under this Agreement.
 - ii. Recipient shall require all of its contractors performing work under this Agreement to name ODOT as a third party beneficiary of Recipient's subagreement with the Contractor and to name ODOT as an additional or "dual" obligee on contractors' payment and performance bonds.
 - iii. Recipient shall provide ODOT with a copy of any signed subagreement, as well as any other purchasing or contracting documentation, upon ODOT's request at any time. Recipient must report to ODOT any material breach of a term or condition of a subagreement within ten (10) days of Recipient discovering the breach.
- b. **Subagreement indemnity; insurance.**

Recipient's subagreement(s) shall require the other party to such subagreements(s) that is not a unit of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless State of Oregon, the Oregon Transportation Commission and its members, the Department of Transportation, their officers, agents and employees from and against any and

all claims, actions, liabilities, damages, losses, or expenses, including attorneys' fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the other party to Recipient's subagreement or any of such party's officers, agents, employees or subcontractors ("Claims"). It is the specific intention of the Parties that ODOT shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of ODOT, be indemnified by the other party to Recipient's subagreement(s) from and against any and all Claims.

- i. Any such indemnification shall also provide that neither Recipient's subrecipient(s), contractor(s) nor subcontractor(s), nor any attorney engaged by Recipient's subrecipient(s), contractor(s) nor subcontractor(s) shall defend any claim in the name of ODOT or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State may, at any time at its election, assume its own defense and settlement in the event that it determines that Recipient's subrecipient is prohibited from defending the State, or that Recipient's subrecipient is not adequately defending the State's interests, or that an important governmental principle is at issue or that it is in the best interests of the State to do so. The State reserves all rights to pursue claims it may have against Recipient's subrecipient if the State of Oregon elects to assume its own defense.
 - ii. If the Project or Project work is on or along a state highway, Recipient shall require its contractor(s) to meet the minimum insurance requirements provided in Exhibit C. Recipient may specify insurance requirements of its contractor(s) above the minimum insurance requirements specified in Exhibit C. Recipient shall verify its contractor(s) meet the insurance requirements in Exhibit C.
 - iii. Recipient shall determine insurance requirements, insurance types and amounts, as deemed appropriate based on the risk of the work outlined within the subagreement. Recipient shall specify insurance requirements and require its contractor(s) to meet the insurance requirements. Recipient shall obtain proof of the required insurance coverages, as applicable, from any contractor providing services related to the subagreement.
 - iv. Recipient shall require its contractor(s) to require and verify that all subcontractors carry insurance coverage that the contractor(s) deems appropriate based on the risks of the subcontracted work.
- c. **Procurements.** Recipient shall make purchases of any equipment, materials, or services for the Project under procedures that comply with Oregon law, including all applicable provisions of the Oregon Public Contracting Code and rules, ensuring that:
- i. all applicable clauses required by federal statute, executive orders and their implementing regulations are included in each competitive procurement; and
 - ii. all procurement transactions are conducted in a manner providing full and open competition.
- d. **Conflicts of Interest.** Recipient's public officials shall comply with Oregon's government ethics laws, ORS 244.010 *et seq.*, as those laws may be subsequently amended.

9. Termination

- a. **Mutual Termination.** This Agreement may be terminated by mutual written consent of the Parties.
- b. **Termination by ODOT.** ODOT may terminate this Agreement effective upon delivery of written notice of termination to Recipient, or at such later date as may be established by ODOT in such written notice, under any of the following circumstances:
 - i. If Recipient fails to perform the Project within the time specified in this Agreement, or any extension of such performance period;
 - ii. If Recipient takes any action pertaining to this Agreement without the approval of ODOT and which under the provisions of this Agreement would have required ODOT's approval;
 - iii. If Recipient fails to perform any of its other obligations under this Agreement, and that failure continues for a period of 10 calendar days after the date ODOT delivers Recipient written notice specifying such failure. ODOT may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action;
 - iv. If ODOT fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow ODOT, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement;
 - v. If Federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that the Project is no longer allowable or no longer eligible for funding under this Agreement; or
 - vi. If the Project would not produce results commensurate with the further expenditure of funds.
- c. **Termination by Either Party.** Either Party may terminate this Grant Agreement upon at least ten (10) days' notice to the other Party and failure of the other Party to cure within the period provided in the notice, if the other Party fails to comply with any of the terms of this Grant Agreement.
- d. **Rights upon Termination; Remedies.** Any termination of this Grant Agreement shall not prejudice any rights or obligations accrued before termination. The remedies set forth in this Grant Agreement are cumulative and are in addition to any other rights or remedies available at law or in equity.

10. GENERAL PROVISIONS

- a. **Indemnity.** RECIPIENT SHALL INDEMNIFY AND DEFEND ODOT AND ITS OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CLAIMS, SUITS, ACTIONS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF ANY NATURE WHATSOEVER ARISING OUT OF, OR RELATING TO THE INTENTIONAL MISCONDUCT, OR RECKLESS OR NEGLIGENT ACTS OR

**OMISSIONS OF RECIPIENT OR ITS OFFICERS, EMPLOYEES,
SUBCONTRACTORS, OR AGENTS UNDER THIS AGREEMENT.**

ODOT shall reasonably cooperate in good faith, at Recipient's reasonable expense, in the defense of a covered claim. Recipient shall select counsel reasonably acceptable to the Oregon Attorney General to defend such claim and all costs of such counsel shall be borne by Recipient. Counsel must accept appointment as a Special Assistant Attorney General under ORS Chapter 180 before such counsel may act in the name of, or represent the interests of, ODOT, its officers, employees or agents. ODOT may elect to assume its own defense with an attorney of its own choice and its own expense at any time ODOT determines important governmental interests are at stake. ODOT agrees to promptly provide Recipient with notice of any claim that may result in an indemnification obligation hereunder. Subject to the limitations noted above, Recipient may defend such claim with counsel of its own choosing provided that no settlement or compromise of any such claim shall occur without the consent of ODOT, which consent shall not be unreasonably withheld, conditioned or delayed.

b. Contribution.

- i. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against ODOT or Recipient with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.
- ii. With respect to a Third Party Claim for which ODOT is jointly liable with Recipient (or would be if joined in the Third Party Claim), ODOT shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of ODOT on the one hand and of the Recipient on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of ODOT on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. ODOT's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if ODOT had sole liability in the proceeding.
- iii. With respect to a Third Party Claim for which Recipient is jointly liable with ODOT (or would be if joined in the Third Party Claim), Recipient shall contribute to the amount of

expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by ODOT in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of ODOT on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of ODOT on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Recipient's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

- c. **Dispute Resolution.** The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
- d. **Amendments.** This Agreement may be amended or extended only by a written instrument signed by both Parties and approved as required by applicable law.
- e. **Duplicate Payment.** Recipient is not entitled to compensation or any other form of duplicate, overlapping or multiple payments for the same work performed under this Agreement from any agency of the State of Oregon or the United States of America or any other party, organization or individual.
- f. **No Third Party Beneficiaries.** ODOT and Recipient are the only Parties to this Agreement and are the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly or indirectly, to a third person unless such a third person is individually identified by name herein and expressly described as an intended beneficiary of the terms of this Agreement.
- g. **Notices.** Except as otherwise expressly provided in this Agreement, any communications between the Parties hereto or notices to be given hereunder shall be given in writing by personal delivery, email or mailing the same, postage prepaid, to Recipient Contact or ODOT Contact at the address or number set forth on the signature page of this Agreement, or to such other addresses or numbers as either Party may hereafter indicate pursuant to this Section 10(g). Any communication or notice personally delivered shall be deemed to be given when actually delivered. Any communication or notice delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine, and to be effective against ODOT, such facsimile transmission must be confirmed by telephone notice to ODOT Contact. Any communication by email shall be deemed to be given when the recipient of the email acknowledges receipt of the email. Any communication or notice mailed shall be deemed to be given when received.
- h. **Governing Law, Consent to Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between ODOT (or any other agency or department of the State of Oregon) and Recipient that arises from or relates to this

Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County in the State of Oregon. In no event shall this section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

- i. **Compliance with Law.** Recipient shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Agreement or to the implementation of the Project, including without limitation as described in Exhibit B. Without limiting the generality of the foregoing, Recipient expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.
- j. **Insurance; Workers' Compensation.** All employers, including Recipient, that employ subject workers who provide services in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Employer's liability insurance with coverage limits of not less than \$500,000 must be included. Recipient shall ensure that each of its subrecipient(s), contractor(s), and subcontractor(s) complies with these requirements.
- k. **Independent Contractor.** Recipient shall perform the Project as an independent contractor and not as an agent or employee of ODOT. Recipient has no right or authority to incur or create any obligation for or legally bind ODOT in any way. ODOT cannot and will not control the means or manner by which Recipient performs the Project, except as specifically set forth in this Agreement. Recipient is responsible for determining the appropriate means and manner of performing the Project. Recipient acknowledges and agrees that Recipient is not an "officer", "employee", or "agent" of ODOT, as those terms are used in ORS 30.265, and shall not make representations to third parties to the contrary.
- l. **Severability.** If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.
- m. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which is an original and all of which together are deemed one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart.
- n. **Integration and Waiver.** This Agreement, including all Exhibits, constitutes the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. The delay or failure of either party to enforce any provision of this Agreement shall not constitute

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a waiver by that party of that or any other provision. Recipient, by the signature below of its authorized representative, acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

SIGNATURE PAGE TO FOLLOW

ODOT/City of Dundee
Agreement No. 33908

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

The Project was approved on October 18, 2018 by the Program Implementation and Analysis Manager.

City of Dundee, by and through its elected officials

By _____
(Legally designated representative)

Name _____
(printed)

Date _____

By _____

Name _____
(printed)

Date _____

**LEGAL REVIEW APPROVAL
(If required in Recipient's process)**

By _____
Recipient's Legal Counsel

Date _____

Recipient Contact:

Rob Daykin, City Administrator
620 SW 5th Street
Dundee, OR 97115
503-538-3922
rob.daykin@dundeecity.org

STATE OF OREGON, by and through its Department of Transportation

By _____
Program Implementation and Analysis Unit Manager

Name _____
(printed)

Date _____

APPROVAL RECOMMENDED

By _____
Small City Allotment Program Manager

Date _____

By _____
State Traffic-Roadway Engineer

Date _____

ODOT Contact:

Shelly White Robinson
3700 SW Philomath Blvd
Corvallis, OR 97333
541-757-4199
Shelly.white-robinson@odot.state.or.us

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EXHIBIT A

Project Description

Agreement No. 33908

SW Red Hills Drive Improvement Project

PROJECT DESCRIPTION

Project will remove existing asphalt, make base repairs as needed, widen sections of roadway, make drainage improvements and overlay SW Red Hills Drive from SW Ninth to SW Upland Drive.

Recipient acknowledges that such Project improvements funded under this Agreement may trigger other Recipient responsibilities under the Americans with Disabilities Act. Recipient agrees that it is solely responsible for ensuring Americans with Disabilities Act compliance pursuant to Exhibit B, Recipient Requirements, Section V.

SW Red Hills Drive is part of the city street system under the jurisdiction and control of Recipient.

EXHIBIT B

Recipient Requirements

- I. Recipient shall comply with all applicable provisions of ORS 279C.800 to 279C.870 pertaining to prevailing wage rates and including, without limitation, that workers on the Project shall be paid not less than rates in accordance with ORS 279C.838 and 279C.840 pertaining to wage rates and ORS 279C.836 pertaining to having a public works bond filed with the Construction Contractors' Board.
- II. Recipient shall notify ODOT's Contact in writing when any contact information changes during the Agreement.
- III. Recipient shall, at its own expense, maintain and operate the Project upon completion and throughout the useful life of the Project at a minimum level that is consistent with normal depreciation or service demand or both. The Parties agree that the useful life of the Project is defined as seven (7) years from its completion date (the "Project Useful Life"). For any portion of the Project that is not within ODOT's or Recipient's jurisdiction (the "County Portion"), Recipient shall enter into a maintenance agreement with the county having jurisdiction over the County Portion (the "Maintenance Agreement"). The Maintenance Agreement must designate the entity that will maintain the County Portion for the Project Useful Life. No Grant Funds will be disbursed until ODOT receives an executed copy of the Maintenance Agreement. This paragraph shall survive any expiration of this Agreement.
- IV. Recipient shall maintain insurance policies with responsible insurers or self-insurance programs, insuring against liability and risk of direct physical loss, damage or destruction of the Project, at least to the extent that similar insurance is customarily carried by governmental units constructing, operating and maintaining similar facilities. If the Project or any portion is destroyed, insurance proceeds will be paid to ODOT, unless Recipient has informed ODOT in writing that the insurance proceeds will be used to rebuild the Project.
- V. **Americans with Disabilities Act Compliance**
 - a. **State Highway:** For portions of the Project located on or along the State Highway System or a State-owned facility ("state highway"):
 - i. Prior to the commencement of work, Recipient shall obtain, or require its contractor to obtain, permission from the appropriate ODOT District Office to work on or along the state highway. This Agreement does not provide permission to work on or along the state highway.
 - ii. Recipient shall utilize ODOT standards to assess and ensure Project compliance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 as amended (together, "ADA"), including ensuring that all sidewalks, curb ramps, pedestrian-activated signals meet current ODOT Highway Design Manual standards;

- iii. Recipient shall follow ODOT's processes for design, construction, or alteration of sidewalks, curb ramps, and pedestrian-activated signals, including using the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, providing a temporary pedestrian accessible route plan and current ODOT Curb Ramp Inspection form;
- iv. At Project completion, Recipient shall send a completed ODOT Curb Ramp Inspection Form 734-5020 to the address on the form and to State's Project Manager for each curb ramp constructed or altered as part of the Project. The completed form is the documentation required to show that each curb ramp meets ODOT standards and is ADA compliant. ODOT's fillable Curb Ramp Inspection Form and instructions are available at the following address:

<https://www.oregon.gov/ODOT/Engineering/Pages/Accessibility.aspx>

- v. Recipient shall promptly notify ODOT of Project completion and allow ODOT to inspect Project sidewalks, curb ramps, and pedestrian-activated signals located on or along a state highway before acceptance of Project by Recipient and before release of any Recipient contractor.
 - vi. Recipient shall ensure that temporary pedestrian routes are provided through or around any Project work zone. Any such temporary pedestrian route shall include directional and informational signs, comply with ODOT standards, and include accessibility features equal to or better than the features present in the existing pedestrian facility. Recipient shall also ensure that advance notice of any temporary pedestrian route is provided in accessible format to the public, people with disabilities, disability organizations, and ODOT at least 10 days before the start of construction.
- b. **Local Roads:** For portions of the Project located on Recipient roads or facilities that are not on or along a state highway:

- i. Recipient shall ensure that the Project, including all sidewalks, curb ramps, and pedestrian-activated signals, is designed, constructed and maintained in compliance with the ADA.
- ii. Recipient may follow its own processes or may use ODOT's processes for design, construction, or alteration of Project sidewalks, curb ramps, and pedestrian-activated signals, including using the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, providing a temporary pedestrian accessible route plan and current Curb Ramp Inspection form, available at:

<https://www.oregon.gov/ODOT/Engineering/Pages/Accessibility.aspx>;

Additional ODOT resources are available at the above-identified link. ODOT has made its forms, processes, and resources available for Recipient's use and convenience.

- iii. Recipient assumes sole responsibility for ensuring that the Project complies with the ADA, including when Recipient uses ODOT forms and processes. Recipient acknowledges and

agrees that ODOT is under no obligation to review or approve Project plans or inspect the completed Project to confirm ADA compliance.

- iv. Recipient shall ensure that temporary pedestrian routes are provided through or around any Project work zone. Any such temporary pedestrian route shall include directional and informational signs and include accessibility features equal to or better than the features present in the existing pedestrian route. Recipient shall also ensure that advance notice of any temporary pedestrian route is provided in accessible format to the public, people with disabilities, and disability organizations prior to the start of construction.
- c. Recipient shall ensure that any portions of the Project under Recipient's maintenance jurisdiction are maintained in compliance with the ADA throughout the useful life of the Project. This includes, but is not limited to, Recipient ensuring that:
 - i. Pedestrian access is maintained as required by the ADA,
 - ii. Any complaints received by Recipient identifying sidewalk, curb ramp, or pedestrian-activated signal safety or access issues are promptly evaluated and addressed,
 - iii. Recipient, or abutting property owner, pursuant to local code provisions, performs any repair or removal of obstructions needed to maintain the Project in compliance with the ADA requirements that were in effect at the time the Project was constructed or altered,
 - iv. Any future alteration work on Project or Project features during the useful life of the Project complies with the ADA requirements in effect at the time the future alteration work is performed, and
 - v. Applicable permitting and regulatory actions are consistent with ADA requirements.
- d. Maintenance obligations in this Section VI shall survive termination of this Agreement.

VI. Work Performed within ODOT's Right of Way

- a. Prior to the commencement of work, Recipient shall obtain, or require its contractor to obtain, permission from the appropriate ODOT District Office to work on or along the state highway. This Agreement does not provide permission to work on or along the state highway.
- b. If the Project includes traffic control devices (see ODOT's Traffic Manual, Chapter 5, for a description of traffic control devices) on or along a state highway, Recipient shall, pursuant to Oregon Administrative Rule (OAR) 734-020-0430, obtain the approval of the State Traffic Engineer prior to design or construction of any traffic control device being installed.
- c. Recipient shall enter into a separate traffic signal agreement with ODOT to cover obligations for any traffic signal being installed on a state highway.
- d. Recipient shall ensure that its electrical inspectors possess a current State Certified Traffic Signal Inspector certificate before the inspectors inspect electrical installations on state highways. The

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ODOT's District Office shall verify compliance with this requirement before construction. The permit fee should also cover the State electrician's supplemental inspection.

VII. GENERAL STANDARDS

The Project shall be completed within industry standards and best practices to ensure that the functionality and serviceability of the Program's investment meets the intent of the application and the Program.

EXHIBIT C
Subagreement Insurance Requirements

GENERAL.

If project is on or along a state highway, Recipient shall require in its first tier subagreements with entities that are not units of local government as defined in ORS 190.003, if any, to: i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, "TAIL" COVERAGE, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before performance under the subagreement commences, and ii) maintain the insurance in full force throughout the duration of the subagreement. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to ODOT. Recipient shall not authorize work to begin under subagreements until the insurance is in full force. Thereafter, Recipient shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. Recipient shall incorporate appropriate provisions in the subagreement permitting it to enforce compliance with the insurance requirements and shall take all reasonable steps to enforce such compliance. In no event shall Recipient permit work under a subagreement when Recipient is aware that the contractor is not in compliance with the insurance requirements. As used in this section, "first tier" means a subagreement in which the Recipient is a Party.

The insurance specified below is a minimum requirement that the contractor within the subagreement shall meet. Recipient may determine insurance types and amounts in excess to the minimum requirement as deemed appropriate based on the risks of the work outlined within the subagreement.

Recipient shall require the contractor(s) to require that all of its subcontractors carry insurance coverage that the contractor deems appropriate based on the risks of the subcontracted work. Contractor shall obtain proof of the required insurance coverages, as applicable, from any subcontractor providing Services related to the Contract.

TYPES AND AMOUNTS.

i. WORKERS COMPENSATION.

All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide **Workers' Compensation Insurance** coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). The coverage shall include Employer's Liability Insurance with limits not less than \$500,000 each accident. **Contractor shall require compliance with these requirements in each of its subcontractor contracts.**

ii. COMMERCIAL GENERAL LIABILITY.

Commercial General Liability Insurance shall be issued on an occurrence basis covering bodily injury and property damage and shall include personal and advertising injury liability, products

and completed operations, and contractual liability coverage. Amounts below are a minimum requirement as determined by ODOT:

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000.

iii. AUTOMOBILE Liability Insurance: Automobile Liability.

Automobile Liability Insurance covering Contractor's business-related automobile use covering all owned, non-owned, or hired vehicles for bodily injury and property. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability). Amount below is a minimum requirement as determined by ODOT:

Coverage shall be written with a combined single limit of not less than \$1,000,000.

iv. ADDITIONAL INSURED.

The Commercial General Liability Insurance and Automobile Liability Insurance must include the **"State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees"** as an **endorsed Additional Insured** but only with respect to the contractor's activities to be performed under the Subcontract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

v. "TAIL" COVERAGE.

If any of the required insurance policies is on a "claims made" basis, such as professional liability insurance or pollution liability insurance, the contractor shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of the Subcontract, for a minimum of twenty-four (24) months following the later of: (i) the contractor's completion and Recipient's acceptance of all Services required under the Subcontract or, (ii) the expiration of all warranty periods provided under the Subcontract. Notwithstanding the foregoing twenty-four (24) month requirement, if the contractor elects to maintain "tail" coverage and if the maximum time period "tail" coverage reasonably available in the marketplace is less than the twenty-four (24) month period described above, then the contractor may request and ODOT may grant approval of the maximum "tail" coverage period reasonably available in the marketplace. If ODOT approval is granted, the contractor shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace.

vi. NOTICE OF CANCELLATION OR CHANGE.

The contractor or its insurer must provide thirty (30) days' written notice to Recipient before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

vii. CERTIFICATE(S) OF INSURANCE.

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Recipient shall obtain from the contractor a certificate(s) of insurance for all required insurance before the contractor performs under the Subcontract. The certificate(s) or an attached endorsement must specify: i) all entities and individuals who are endorsed on the policy as Additional Insured and ii) for insurance on a "claims made" basis, the extended reporting period applicable to "tail" or continuous "claims made" coverage.

The Recipient shall immediately notify ODOT of any change in insurance coverage.

AGENDA REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: November 27, 2019
Re: US Bank Purchase Card

Staff is recommending the replacement of the Wells Fargo commercial line credit card with a US Bank Oregon State Purchase Card specifically programmed for governmental agencies. Please see the attached report from Office Manager Hartman. In addition to the ability for Dundee to set and adjust customized limits to each card, the program also has a rebate feature on purchases that is calculated on a quarterly basis.

Recommendation: Motion to authorize the city administrator to sign the agreement with US Bank for issuance of a commercial line credit card with the political subdivision addendum to the City of Dundee.



To: Rob Daykin
From: Sheryl Hartman
Date: 11/26/2019
Re: US Bank Purchase Card – SPOTS Program

August 2016 the City of Dundee moved banking services back to US Bank after several years with West Coast Bank and then Wells Fargo. Wells Fargo services and fees were not meeting the City's needs.

Wells Fargo Visa statements are usually received with less than a week to process A/P and deliver the payment. This has resulted in occasional late fees and frequently requires the payment to be delivered to the branch. In addition, the ability to identify charges on the statement and monitor the card activity on-line is limited. The Wells Fargo commercial minimum line of credit for commercial cards is \$50,000. We have one card for Rob Daykin with a limit of \$49,500 and one card for Public Works in the amount of \$500.00. Rob's card is kept in a locked cabinet in the accounting office and is used by all departments for various reasons. We keep a sign out sheet which provides some level of tracking but limited control. Each statement is reconciled to approved receipts and often requires Melissa to track down the receipts.

I made an inquiry with US Bank government division regarding credit card account options for the City. I was contacted by David Perkins, US Bank CPS Consultant. \$250,000 limit is the minimum commercial credit card available. After discussing the City's activity and needs, he recommends US Bank Oregon State Purchase Card program and provided much of the following information.

U.S. BANK OREGON STATE PURCHASING CARD

The State P-Card of Oregon Transaction System (SPOTS) provides state and local government with a low-cost way to procure and pay for goods and services. The State has an agreement with US Bank that provides state agencies with the ability to issue VISA Corporate Purchase cards. SPOTS provides flexible spending limits and merchant category codes for each card. SPOTS cards may also be used for travel related purchases.

SPOTS FEATURES

Acceptance: U.S. Bank purchase cards can provide the City with access to the Visa network for purchases of goods and services, and ensure the City is able to capture detailed transaction data.

Superior Spending Control and Monitoring: U.S. Bank will help us establish appropriate spending controls based on our policies and procedures. We will be able to set controls at an individual or group level. Settings such as Merchant Category Code (MCC) blocking, single purchase, monthly spending limits

and travel. Limits can be updated as often as needed to ensure that cardholders aren't allowed to make inappropriate or unauthorized purchases while at the same time meeting our purchasing needs. Furthermore, the comprehensive reporting package will allow program administrators to monitor cardholder spending for compliance to City policies and procedures.

Each employee engaging in routine purchasing should have a specific card assigned to them and appropriate limits or restrictions applied. Employees will be required to provide receipts.

I would also recommend a custom approval process for credit card use in advance of purchases.

Example: An employee traveling for City business currently uses their own resources and must submit receipts and wait for reimbursement. Using the purchase card system, a card can be set up for an employee (and remain unfunded and locked in accounting until needed). An administrator can then go on-line and set an amount based on the approved travel and limit it to travel services such as hotel, airlines, restaurants, car rentals and gas stations. Date restrictions can be set to limit spending for the approved travel period. The employee would then submit receipts to reconcile to their card activity.

Example: Fire Department staff routinely take Rob's credit card to the Fire Station to place on-line orders or make small purchases. A separate card for Fire Department use only and set to Chief's \$500 spending limit would eliminate wasted trips to City Hall, provide better tracking and reporting, and reduce the risk of Rob's card leaving City Hall. The limit on the card can be temporarily increased for one-time purchases of over \$500 with prior approval. Chief would be responsible for maintaining control of the Fire Department card.

Example: "One Time Payment" authorization - Vendor requires payment in advance, purchase is time sensitive or an emergency. A "One time" payment amount can be authorized to a specific card.

Billing: Payment is due in full within 30 days of the monthly statement date. With electronic billing and payment in place, this time period allows for easy payment processing. Statements and detail transactions will be available on-line at the end of the period for reconciliation, coding and approval. Electronic Funds Transfer (EFT) payments will be authorized by the City Administrator using the reconciliation and attached receipts. Invoices will be posted and paid in the Accounts payable system following our approved procedures. We currently use EFT payments for most of our loans, payroll and payroll benefits.

Rebate: There are no fees or interest for the use of this purchase card program. Quarterly Rebates are calculated and paid quarterly to all participating agencies. Rebates are calculated as follows:

$$\text{Quarterly Volume Sales Incentive} = \text{Quarterly Purchases} \times \text{Basis Points}$$

$$\text{Prompt Payment Incentive} = \text{Average \# of days to pay} / 45 \text{ days} \times \text{Basis Points} \times \text{Invoice amount}$$



**NASPO Contract 00612- Commercial Card Solutions – Participating Addendum
Political Subdivision Addendum**

This purchase is placed against the Western States Contracting Alliance, Contract # 00612, Category 1 or Category 2.
The terms and conditions of the NASPO Contract(s) and the associated Participating Addendum entered into by the State of Oregon, Price Agreement No. 4706, apply to this purchase and supersede all conflicting terms and conditions, expressed or implied.

This Political Subdivision Addendum (“Political Subdivision Addendum”) constitutes an addendum to the Participating Addendum dated March 14, 2014 entered into by U.S. Bank National Association (“U.S. Bank”) and the State of Oregon (“State”) (“Participating Addendum”) which constitutes an addendum to the NASPO Contract dated January 1, 2014 between U.S. Bank and the State of Washington. This Political Subdivision Addendum is entered into by U.S. Bank and the Political Subdivision identified herein, and supersedes like and similar agreements for any Card Product or Card Product Enhancement selected in Section 8 herein. This Political Subdivision Addendum shall become effective upon signing by U.S. Bank (“Effective Date”).

RECITALS

- A. The State has entered into the Participating Addendum for the purpose of making available a Purchase Card, One Card, Fleet Card or Corporate Card Program as described in the Participating Addendum for use by the State, its Agencies and Political Subdivisions;
- B. The State is willing to permit Political Subdivision to participate in the Card Program provided that Political Subdivision assumes all responsibility and liability for Political Subdivision’s performance of the terms and conditions of the Participating Addendum as if Political Subdivision was the entity signing the Participating Addendum. The State is not responsible for Political Subdivision under the Participating Addendum or this Political Subdivision Addendum; and
- C. Political Subdivision has received a copy of the Participating Addendum from the State, and after a thorough review of the Participating Addendum, desires to participate as a Political Subdivision under the Participating Addendum. Political Subdivision is responsible for Political Subdivision’s performance of the terms and conditions of this Political Subdivision Addendum, as well as the Participating Addendum, as if Political Subdivision was the entity signing the Participating Addendum. Political Subdivision is not liable for the acts and omissions of the State under the Participating Addendum or this Political Subdivision Addendum.

AGREEMENT

Now therefore, in consideration of the foregoing Recitals, the mutual premises and covenants set forth in the Participating Addendum, which are incorporated herein by reference, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all parties agree as follows:

- 1. **Definitions.** Capitalized terms used in this Political Subdivision Addendum and not otherwise defined in this Political Subdivision Addendum are used with the same respective meanings attributed thereto in the Participating Addendum.
- 2. **Political Subdivision Responsibility.** Political Subdivision agrees to accept and perform all duties, responsibilities and obligations required of State as set forth in the Participating Addendum. Cards shall be issued to designated employees of Political Subdivision upon execution of this Political Subdivision Addendum by Political Subdivision and U.S. Bank.
- 3. **Financial Information.** In order to determine credit qualifications for Political Subdivision, Political Subdivision shall provide U.S. Bank with the last three (3) years of audited financial statements with this signed Political Subdivision Addendum. Political Subdivision shall provide to U.S. Bank annual financial statements thereafter. U.S. Bank will review the financial statements and notify Political Subdivision of the approval or decline of its credit qualification. If such financial statements can be independently obtained by U.S. Bank, Political Subdivision will not be required to provide such financial statements.
- 4. **Payment.** Political Subdivision shall make payment to U.S. Bank for all Debt incurred by Political Subdivision; its Cardholders and Accountholders as provided in the Participating Addendum. "Debt" means all amounts charged to a card and/or account including without limitation all amounts related to purchases, fees and other Charges that are owed to U.S. Bank by Political Subdivision and its Cardholders.
- 5. **Authority.** The representations, warranties and recitals of Political Subdivision set forth in this Political Subdivision Addendum and the Participating Addendum constitute valid, binding and enforceable agreements of Political Subdivision. All extensions of credit made to Political Subdivision pursuant to this Political Subdivision Addendum and the Participating Addendum will be valid and enforceable obligations of Political Subdivision and Political Subdivision shall pay to U.S. Bank all Debts incurred by Political Subdivision in accordance with the terms of the Participating Addendum and this Political Subdivision Addendum. The execution of this Political Subdivision Addendum and the performance of the obligations hereunder and under the Participating Addendum are within the power of Political Subdivision, have been authorized by all necessary action and do not constitute a breach of any contract to which Political Subdivision is a party or is bound.
- 6. **Purpose of Card Use.** Political Subdivision declares that cards shall be used for official Political Subdivision purchases only, and shall not be used for individual consumer purchases or to incur consumer debt. Political Subdivision warrants that it possesses the financial capacity to perform all of its obligations under the Participating Addendum and this Political Subdivision Addendum.
- 7. **Governing Law.** Except as provided to the contrary herein, the law of State and applicable federal laws and regulations shall apply to all services provided by U.S. Bank under this Political Subdivision Addendum.



8. **Card Products and Card Product Enhancements:** U.S. Bank may provide the following Card Products to Political Subdivision and its Cardholders. Political Subdivision shall mark here the products requested.

- A. **Purchase Card with Corporate Liability** (Travel Accident Insurance not included with this Card Product)
 - Central Billing Accounts (Central Purchase Accounts/Event Planner Accounts/Managed Spend Accounts)
 - Managed Spend Cards (declining balance functionality)
 - Emergency Response Cards
- B. **One Card with Corporate Liability** (Travel Accident Insurance is included with this Card Product)
 - Central Billing Accounts (Central Travel Accounts/Event Planner Accounts/Managed Spend Accounts)
 - Managed Spend Cards (declining balance functionality)
 - Emergency Response Cards
- C. **Fleet Card with Corporate Liability**
- D. **Corporate Card** (Travel Accident Insurance is included with this Card Product)
 - Contingent Liability
 - Joint and Several Liability

9. The notice address for Political Subdivision is:

CITY OF DUNDEE
 PO BOX 220
 DUNDEE, OR 97115
 Attn: SHERYL HARTMAN

10. **Rebate Payments.** To receive payment, Political Subdivision must register in the manner prescribed by U.S. Bank. U.S. Bank will not make any payments until Political Subdivision has registered. If Political Subdivision fails to register by the end of the first Addendum Year, Political Subdivision forfeits any payments for that Addendum Year and any subsequent Addendum Years in which Political Subdivision fails to register. Political Subdivision designates the following person to register Political Subdivision.

Authorized Person's Name Sheryl Hartman
 Authorized Person's Email Address sheryl.hartman@dundeecity.org

11. **Authorization.** Political Subdivision certifies to U.S. Bank that the person executing this Political Subdivision Addendum is authorized by Political Subdivision in accordance with its organization rules and applicable law to bind Political Subdivision to the terms and conditions of this Political Subdivision Addendum, including the authority to incur Debt in the name of Political Subdivision.

12. **Execution.** By signing below, the individual(s) signing this Political Subdivision Addendum is/are acting in his or her capacity as an authorized signing officer of Political Subdivision and not in his or her personal capacity, and certifies and warrants that (1) all action required by Political Subdivision's organizational documents to authorize the signer(s) to act on behalf of Political Subdivision in all actions taken under this Political Subdivision Addendum, including but not limited to, the authority to incur Debt on behalf of Political Subdivision, has been taken, (2) each signer is empowered in the name of and on behalf of Political Subdivision to enter into all transactions contemplated in this Political Subdivision Addendum, and (3) the signatures appearing on all supporting documents of authority, if any, are authentic.

13. **Reliance.** Political Subdivision has read, understands and agrees to all terms and conditions in this Political Subdivision Addendum, and U.S. Bank is entitled to act in reliance upon the authorizations and certifications set forth herein.

IN WITNESS WHEREOF, the parties have, by their authorized representatives, executed this Political Subdivision Addendum.

<p>Date: _____</p> <p>By Political Subdivision:</p> <p>CITY OF DUNDEE (Name)</p> <p>_____ (Signature of Authorized Signer)</p> <p>ROB DAYKIN (Printed Name of Authorized Signer)</p> <p>CITY ADMINISTRATOR (Printed Title of Authorized Signer)</p>	<p>Date: _____</p> <p>By U.S. Bank:</p> <p>U.S. Bank National Association</p> <p>_____ (Signature of Authorized Signer)</p> <p>_____ (Printed Name of Authorized Signer)</p> <p>Vice President (Printed Title of Authorized Signer)</p>
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Approved as to form:

 (Signature of Attorney for Political Subdivision)

 (Printed Name of Attorney)



Before completing the Certificate of Authority, please read:

- If the document being signed was "approved as to form" by an attorney, it is not necessary to complete the attached Certificate of Authority (C of A).
- If the document was not "approved as to form" by an attorney, please complete the attached C of A (page 6).
- Be sure to date all documents upon signing. Undated documents cannot be accepted and will be returned for dating.

Signing Instructions for Certificate of Authority

Note that three (3) different individuals must sign and date the C of A. If the Political Subdivision does not have three individuals who are authorized to sign on behalf of the Political Subdivision, please refer to page 7.

Section 1 Organizational Information- Enter the legal Political Subdivision name and the tax ID number on the C of A. Note: The legal name of the Political Subdivision name is required. The legal name is usually the name on the Political Subdivision's financial statements.

Section 2 Authorized Persons - The individual who signed the Political Subdivision Addendum must complete and sign in Section 2.

Section 3 Execution Requirement - Check only one box in Section 3 to indicate how many individuals (either 1 or 2) that the Political Subdivision requires to sign legal documents on behalf of the Political Subdivision.

Section 4 Execution - No action required.

Section 5 Certification - Two (2) individuals must sign and date Section 5 as well as insert their names and titles. Note: The individual(s) who signed in Section 2 cannot sign in Section 5 or this document is invalid.

- An officer of the Political Subdivision ("Officer One") is required to sign the top area of Section 5 attesting to the signatures in Section 2.
- One other officer of the Political Subdivision ("Officer Two") must sign the bottom area of Section 5 attesting to the signature of Officer One.

Please see examples below:

5. Certification. I certify that I am the Secretary and I am acting in my official capacity as an authorized officer who has been given the authority by the Political Subdivision to certify that the Authorized Person(s) has/have the full power and authority under applicable law and the governance rules relating to the Political Subdivision to execute and deliver to U.S. Bank, on behalf of the Political Subdivision, and to bind the Political Subdivision under, the Documents for the purpose of establishing and extending the Services. I also certify that the name(s) and title(s) of the Authorized Person(s) set forth above are correct and that the signature appearing beside each name is a true and genuine specimen of his/her signature.

JOHN DOE
↑ PRINTED NAME OF THE SECRETARY OF THE POLITICAL SUBDIVISION↑ (CANNOT BE AN AUTHORIZED PERSON LISTED IN SECTION 2)

↑ Signature of the Secretary of the Political Subdivision↑ DATE

I certify that I am an officer of the Political Subdivision, and as such, I certify that the above-named Secretary is acting in such capacity on behalf of the Political Subdivision, the signature below is my genuine signature and the signature above is the genuine signature of such Secretary.

JANE SMITH, TREASURER
↑ PRINTED NAME & TITLE OF INDIVIDUAL SIGNING BELOW↑ (CANNOT BE AN AUTHORIZED PERSON LISTED IN SECTION 2)

↑ Signature ↑ Attested by One (1) Other Individual of the Political Subdivision DATE



CERTIFICATE OF AUTHORITY

1. Organizational Information. This Certificate of Authority has been completed on behalf of the following Political Subdivision (the "Political Subdivision"):

Political Subdivision Legal Name: CITY OF DUNDEE

Federal Tax Identification Number: 93-6002152

2. Authorized Persons. In accordance with the governance rules relating to the Political Subdivision, the following individuals (the "Authorized Person(s)") are authorized, on behalf of the Political Subdivision, to execute and deliver to U.S. Bank National Association ("U.S. Bank") and/or its affiliates the applicable contract(s), any applicable addenda and/or amendments thereto and any other documents or writings required by U.S. Bank (collectively, the "Documents") for the purpose of establishing one (1) or more card programs, extending credit and providing related services to the Political Subdivision with U.S. Bank in the United States (collectively, the "Services"):

Table with 3 columns: Name, TITLE, SIGNATURE. Row 1: ROBERT DAYKIN, CITY ADMINISTRATOR.

3. Execution Requirements. The governance rules relating to the Political Subdivision require the following number of Authorized Persons to sign the Documents for the Services (choose only one box):

- One (1) Authorized Person (checked)
Two (2) Authorized Persons

4. Execution. By signing the Documents, each individual signing in his or her capacity as an authorized signing officer of the Political Subdivision and not in his or her personal capacity, certifies and warrants that (a) all action required by Political Subdivision's organizational documents to authorize the signer(s) to act on behalf of the Political Subdivision in all actions taken under the Documents, including but not limited to, the authority to incur debt on behalf of the Political Subdivision, has been taken, (b) each signer is empowered in the name of and on behalf of the Political Subdivision to enter into all transactions and Services contemplated in the Documents, and (c) the signatures appearing on all supporting documents of authority are authentic.

5. Certification. I certify that I am the Mayor of the City of Dundee and I am acting in my official capacity as an authorized officer who has been given the authority by the Political Subdivision to certify that the Authorized Person(s) has/have the full power and authority under applicable law and the governance rules relating to the Political Subdivision to execute and deliver to U.S. Bank, on behalf of the Political Subdivision, and to bind the Political Subdivision under, the Documents for the purpose of establishing and extending the Services. I also certify that the name(s) and title(s) of the Authorized Person(s) set forth above are correct and that the signature appearing beside each name is a true and genuine specimen of his/her signature.

DAVID RUSS, CITY OF DUNDEE MAJOR
PRINTED NAME OF THE C OF THE POLITICAL SUBDIVISION (CANNOT BE AN AUTHORIZED PERSON LISTED IN SECTION 2)

Signature of the of the Political Subdivision DATE

I certify that I am an officer of the Political Subdivision, and as such, I certify that the above-named is acting in such capacity on behalf of the Political Subdivision, the signature below is my genuine signature and the signature above is the genuine signature of such

TIM WEAVER, CITY OF DUNDEE COUNCIL PRESIDENT
PRINTED NAME & TITLE OF INDIVIDUAL SIGNING BELOW (CANNOT BE AN AUTHORIZED PERSON LISTED IN SECTION 2)

Signature Attested by One (1) Other Individual of the Political Subdivision DATE



**EXAMPLES TO Signing Instructions
for
Certificate of Authority (C Of A)**

EXAMPLE 1:

1. One (1) person is required to sign legal documents, and
2. Political Subdivision has more than two (2) authorized signatories who can attest to signatures of other signatories.

Addendum: Person A signs.
C of A Section 2: Person A completes and signs.
C of A Section 3: First box is checked.
C of A Section 5: Person B (preferably the Secretary) signs attesting to the signature of Person A
AND
Person C signs attesting to Person B's authority and signature.

EXAMPLE 2:

1. Two (2) people are required to sign legal documents, and
2. Political Subdivision has more than two (2) authorized signatories who can attest to signatures of other signatories.

Addendum: Persons A and B sign.
C of A Section 2: Persons A and B complete and sign.
C of A Section 3: Second box is checked.
C of A Section 5: Person C (preferably the Secretary) signs attesting to the signatures of Persons A and B
AND
Person D signs attesting to Person C's authority and signature.

EXAMPLE 3:

1. One (1) person is required to sign legal documents, and
2. Political Subdivision has only one (1) other authorized signatory who can attest to signatures of other signatories.

Addendum: Person A signs.
C of A Section 2: Person A completes and signs.
C of A Section 3: First box is checked.
C of A Section 5: Person B (preferably the Secretary) signs attesting to the signature of Person A.
NOTE: If the Secretary can sign the C of A, than they cannot be Person A; they must be Person B.
AND
Person A signs attesting to Person B's authority and signature.

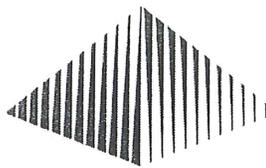
EXAMPLE 4:

1. Two (2) people are required to sign legal documents, and
2. Political Subdivision has only one (1) other authorized signatory who can attest to signatures of other signatories.

Addendum: Persons A and B sign.
C of A Section 2: Persons A and B complete and sign.
C of A Section 3: Second box is checked.
C of A Section 5: Either Person A or B (preferably the Secretary) signs attesting to the signature of Persons A and B.
NOTE: If the Secretary can sign the C of A, than they must sign in Section 4 and the other person must sign in Section 5
AND
The Person who did not sign Section 4 signs attesting to the signing authority and signature of the person who did sign in Section 4, subject to the note above.



The following additional pages were addendum items from the December 3, 2019 City Council Meeting.



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

November 26, 2019

To the City Council
City of Dundee
620 SW 5th Street
Dundee, Oregon 97115

We have audited the financial statements of the City of Dundee (the City) as of and for the year ended June 30, 2019, and have issued our report thereon dated November 26, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 14, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City 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 in our letter dated May 14, 2019.

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the City'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 is included in the notes to the financial statements.

GASB Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements," addresses inconsistencies in the information disclosed in the notes to governmental financial statements related to debt, including direct borrowings and direct placements, and provides financial statement users with additional essential information about debt. Implementation of this new standard resulted in additional information disclosed in the City's long-term debt footnote.

Additionally, the City combined related proprietary funds into three operating funds, Water Operations, Sewer Operations and Stormwater Operations. Our opinion is not modified with respect to this matter.

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.

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

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'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, which are included in the attached letter dated November 26, 2019.

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, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, 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's auditors.

We were engaged to report on supplementary information, which accompanies the financial statements. 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 management's discussion and analysis, which accompanies the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Very truly yours,


CERTIFIED PUBLIC ACCOUNTANTS



November 26, 2019

Grove, Mueller & Swank, P.C.
475 Cottage Street NE, Suite 200
Salem, OR 97301

This representation letter is provided in connection with your audit of the financial statements of the City of Dundee, Oregon (the City) as of June 30, 2019, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of November 26, 2019, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 14, 2019, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with the modified cash basis of accounting and for preparation of the supplemental information in accordance with the applicable criteria.
- The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting and include all properly classified funds and other financial information of the primary government required by the modified cash basis of accounting to be included in the financial reporting entity.
- We acknowledge our responsibility for 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.

Dundee Representation Letter
Page 2 of 6

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the modified basis of accounting.
- All events subsequent to the date of the financial statements that would require adjustment or disclosure have been properly made.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and

Dundee Representation Letter
Page 3 of 6

unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.

- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- The City does not maintain historical cost or depreciation records for capital assets.
- Deposit and investment risks have been properly and fully disclosed.
- All required supplemental information is measured and presented within the prescribed guidelines.
- With respect to the Management's Discussion and Analysis; Combining Balance Sheets; Combining Statements of Revenues, Expenditures and Changes in Fund Balances; and Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the supplementary information in accordance with the modified cash basis of accounting.
 - We believe the supplementary information, including its form and content, is measured and fairly presented in accordance with the modified cash basis of accounting.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the City of the supplementary information and the auditor's report thereon.
- As part of your audit, you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

Information Provided

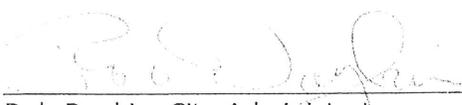
- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meeting of the city council or summaries of actions of recent meetings for which minutes have not yet been approved.

Dundee Representation Letter
Page 5 of 6

- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known or actual pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the District/City will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.

Dundee Representation Letter
Page 6 of 6

- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



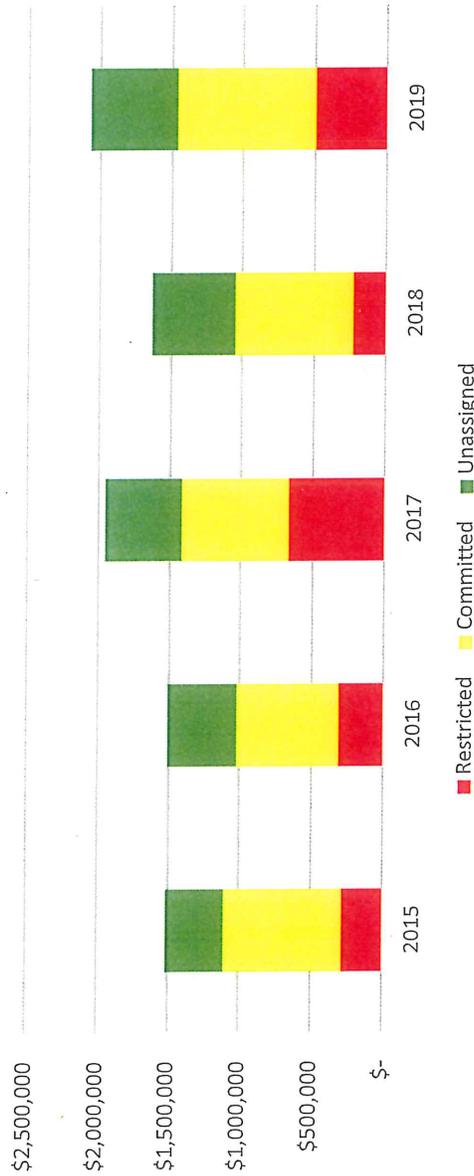
Rob Daykin, City Administrator



Sherylyn Hartman, Office Manager

**City of Dundee
City Council Meeting Handout
December 3rd, 2019**

Gov't Funds Ending Fund Balance (Cash)

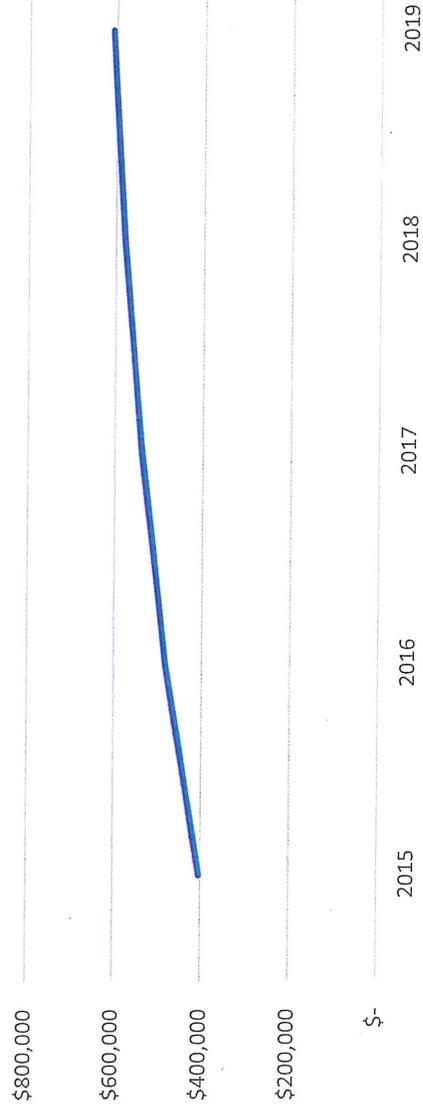


Question: Did the City's Gov't Funds financial condition improve, decline, or remain steady over the past year? Is the City saving cash or spending it?

Analysis: Restricted cash (red) has fluctuated due to street capital projects. The City's committed (yellow) and unassigned (green) cash as increased over the past five years. The primary committed amount is the Equipment Reserve Fund.



General Fund - Ending Fund Balance (Cash)



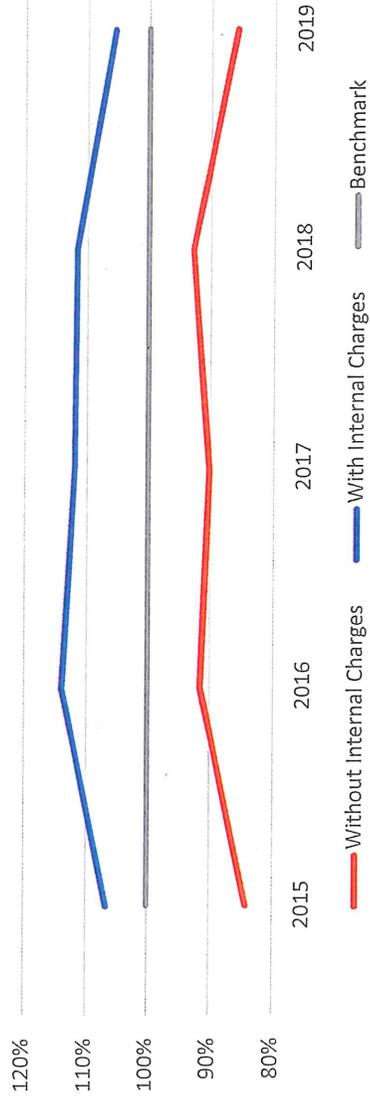
Question: Is the General Fund able pay current year expenditures with current year revenue or is the City using prior year carryover to pay a portion of the current year expenditures?

Analysis: General Fund ending fund balance continues to increase which means that the current year revenue and transfers from other funds is sufficient to pay current year expenditures.



**City of Dundee
City Council Meeting Handout
December 3rd, 2019**

General Fund Solvency (Revenue as % of Expenditures)

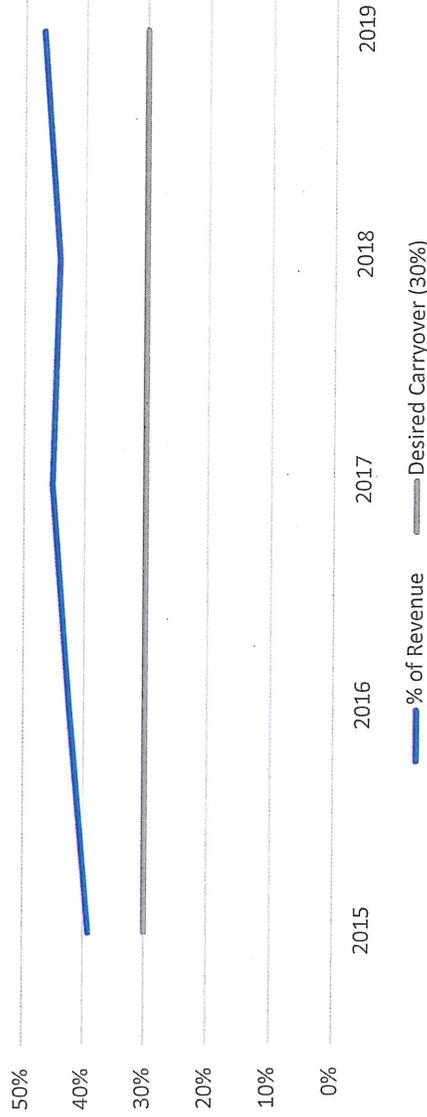


Question: Who paid for this year's governmental services - current recipients or prior years'?

Analysis: General Fund expenditures exceed revenue. This difference is made up through internal charges to the Street, Water, Sewer and Stormwater funds.



Ending Fund Balance as Percent of Current Year Revenue



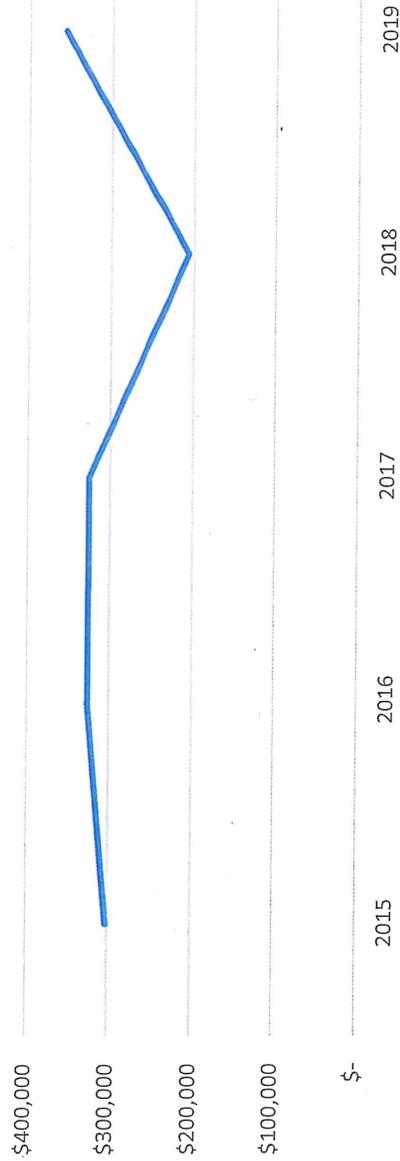
Question: Is the General Fund carryover fund balance sufficient? A benchmark is to have enough carryover for 3 months of operating expenditures (30%).

Analysis: The City's General Fund ending fund balance continues to increase since revenue and expenditures continue to increase proportionately. This means the City's carryover balance continues to exceed the 30% benchmark.



**City of Dundee
City Council Meeting Handout
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Sewer Fund - Unrestricted Cash

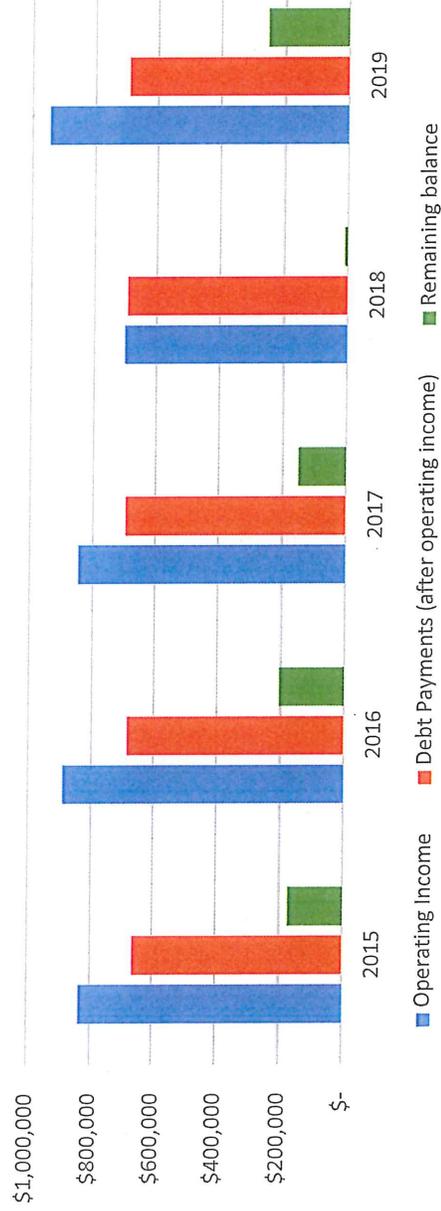


Question: Is the Sewer Fund's unrestricted fund balance (unrestricted cash) improving, declining, or remaining steady over the past year?

Analysis: The Sewer Fund unrestricted cash has remain steady over the past years with the one exception of 2018 which included additional expenditures related to the sludge lagoons.



Sewer Fund Debt Payments



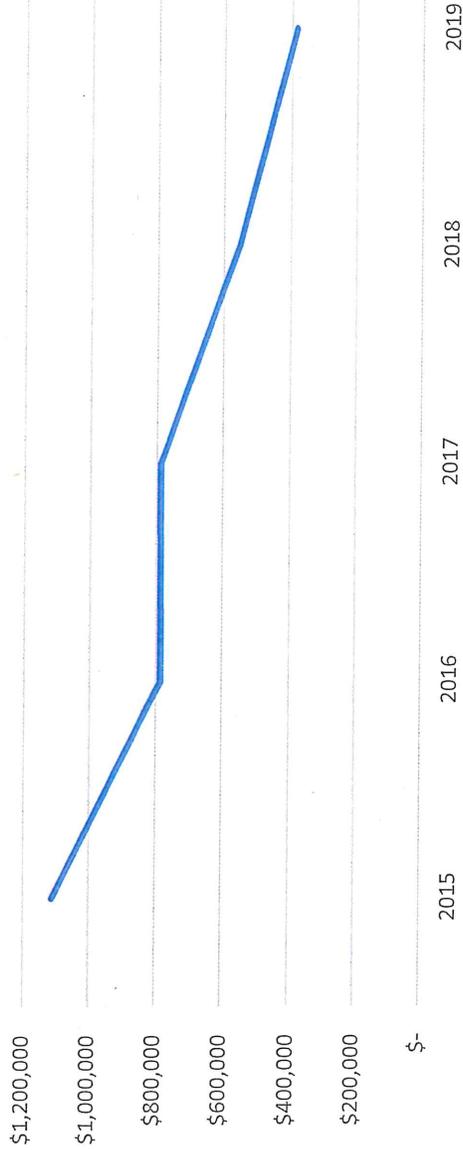
Question: Did the Sewer Fund receive enough current year revenue to pay its current year expenditures including debt service requirements?

Analysis: The debt service payments (orange) continue to use the majority of the Sewer Operations operating net income (blue). This leaves a small portion (green) for internal charges and capital expansion.



**City of Dundee
City Council Meeting Handout
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Water Fund - Unrestricted Cash

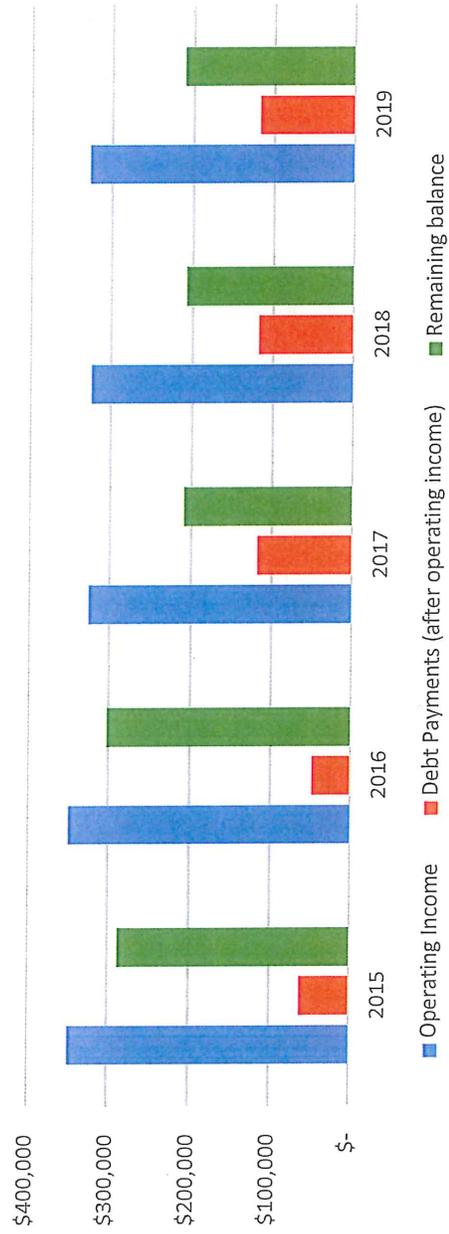


Question: Is the Water Fund's unrestricted fund balance (unrestricted cash) improving, declining, or remaining steady over the past year?

Analysis: The Water Fund unrestricted cash has decreased ~65% since 2015. This is due primarily to ongoing capital projects over the years.



Water Fund Debt Payments



Question: Did the Water Fund receive enough current year revenue to pay its current year expenditures including debt service requirements?

Analysis: The debt service payments (orange) are not using majority of the Water Operations operating net income (blue). This leaves a large portion (green) for internal charges and capital expansion.



AGENDA REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: December 3, 2019
Re: Cooperative Purchasing Agreement/Fire Equipment Quote

Chief Stock recommends the purchase of new extrication equipment through LN Curtis in the amount of 35,323.03, including a credit provided for trade in of used equipment. The purchase would be offset by a \$19,250.00 grant from the Confederated Tribes of Grand Ronde Spirit Mountain Community Fund and a \$5,000.00 contribution from the Dundee, leaving \$11,073.03 due by the City of Dundee. These funds have not been budgeted and I am requesting Council's authorization to accept the quote from LN Curtis.¹ Also, the pricing used by LN Curtis is based on a permissive cooperative procurement process permitted under ORS 379.A.215. The contracting agency for the master purchasing agreement is the Public Procurement Authority (PPA). PPA is a public entity formed under an intergovernmental agreement involving Tualatin Valley Fire & Rescue, Jackson County Fire District No. 3 and Redmond Fire and Rescue. For Dundee to take advantage of the pricing through this process as participating agency, then the attached Participating Agency Endorsement and Authorization must be signed.

Recommendation: Council motion to authorize the city administrator to sign the Participating Agency Endorsement and Authorization with the Public Procurement Authority and to accept the quote from LN Curtis for the purchase of extrication equipment in the amount of \$35,323.03.

¹ Chief Stock noted that the City will receive \$9,756.50 for the reimbursement of Fire Department brush rig used in the Kincade California fire which will help offset the unbudgeted expense of the new fire extrication equipment.

Intergovernmental Cooperative Purchasing Agreement

This Intergovernmental Agreement (Agreement) is by and between the "Lead Contracting Agency" and participating government entities ("Participating Agencies"), that are members of National Purchasing Partners ("NPP"), including members of FireRescue GPO and Public Safety GPO, that agree to the terms and conditions of this Agreement. The Lead Contracting Agency and all Participating Agencies shall be considered as "parties" to this agreement.

WHEREAS, upon completion of a formal competitive solicitation and selection process, the Lead Contracting Agency has entered into Master Price Agreements with one or more Vendors to provide goods and services, often based on national sales volume projections;

WHEREAS, NPP provides group purchasing, marketing and administrative support for governmental entities. NPP's marketing and administrative services are free to its membership, which includes participating public entities and nonprofit institutions throughout North America.

WHEREAS, NPP has instituted a cooperative purchasing program under which member Participating Agencies may reciprocally utilize competitively solicited Master Price Agreements awarded by the Lead Contracting Agency;

WHEREAS, the Master Price Agreements provide that all qualified government members of NPP may purchase goods and services on the same terms, conditions and pricing as the Lead Contracting Agency, subject to applicable local and state laws of the Participating Agencies;

WHEREAS, the parties agree to comply with the requirements of the Intergovernmental Cooperation Act as may be applicable to the local and state laws of the Participating Agencies;

WHEREAS, the parties desire to conserve and leverage resources, and to improve the efficiency and economy of the procurement process while reducing solicitation and procurement costs;

WHEREAS, the parties are authorized and eligible to contract with governmental bodies and Vendors to perform governmental functions and services, including the purchase of goods and services; and

WHEREAS, the parties desire to contract with Vendors under the terms of the Master Price Agreements;

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1: LEGAL AUTHORITY

Each party represents and warrants that it is eligible to participate in this Agreement because it is a local government created and operated to provide one or more governmental functions and possesses adequate legal authority to enter into this Agreement.

ARTICLE 2: APPLICABLE LAWS

The procurement of goods and services subject to this Agreement shall be conducted in accordance with and subject to the relevant statutes, ordinances, rules, and regulations that govern each party's procurement policies. Competitive Solicitations are intended to meet the public contracting requirements of the Lead Contracting Agency and may not be appropriate under, or satisfy Participating Agencies' procurement laws. It is the responsibility of each party to ensure it has met all applicable solicitation and procurement requirements. Participating Agencies are urged to seek independent review by their legal counsel to ensure compliance with all local and state solicitation requirements.

ARTICLE 3: USE OF BID, PROPOSAL OR PRICE AGREEMENT

- a. A "procuring party" is defined as the Lead Contracting Agency or any Participating Agency that desires to purchase from the Master Price Agreements awarded by the Lead Contracting Agency.
- b. Each procuring party shall be solely responsible for their own purchase of goods and services under this Agreement. A non-procuring party shall not be liable in any fashion for any violation of law or contract by a procuring party, and the procuring party shall hold non-procuring parties and all unrelated procuring parties harmless from any liability that may arise from action or inaction of the procuring party.
- c. The procuring party shall not use this agreement as a method for obtaining additional concessions or reduced prices for similar goods and services outside the scope of the Master Price Agreement.
- d. The exercise of any rights or remedies by the procuring party shall be the exclusive obligation of such procuring party.
- e. The cooperative use of bids, proposals or price agreements obtained by a party to this Agreement shall be in accordance with the terms and conditions of the bid, proposal or price agreement, except as modified where otherwise allowed or required by applicable law, and does not relieve the party of its other solicitation requirements under state law or local policies.

ARTICLE 4: PAYMENT OBLIGATIONS

The procuring party will make timely payments to Vendors for goods and services received in accordance with the terms and conditions of the procurement. Payment for goods and services, inspections and acceptance of goods and services ordered by the procuring party shall be the exclusive obligation of such procuring party. Disputes between procuring party and Vendor shall be resolved in accordance with the law and venue rules of the state of the procuring party.

ARTICLE 5: COMMENCEMENT DATE

This Agreement shall take effect after execution of the "Lead Contracting Agency Endorsement and Authorization" or "Participating Agency Endorsement and Authorization," as applicable.

ARTICLE 6: TERMINATION OF AGREEMENT

This Agreement shall remain in effect until terminated by a party giving 30 days written notice to "Lead Contracting Agency"

ARTICLE 7: ENTIRE AGREEMENT

This Agreement and any attachments, as provided herein, constitute the complete Agreement between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 8: CHANGES AND AMENDMENTS

This Agreement may be amended only by a written amendment executed by all parties, except that any alterations, additions, or deletions of this Agreement which are required by changes in Federal and State law or regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

ARTICLE 9: SEVERABILITY

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

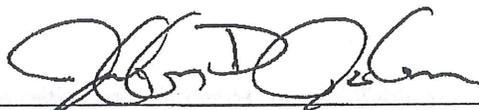
THIS INSTRUMENT HAS BEEN EXECUTED IN TWO OR MORE ORIGINALS BY EXECUTION AND ATTACHMENT OF "THE LEAD CONTRACTING AGENCY ENDORSEMENT AND AUTHORIZATION" OR "PARTICIPATING AGENCY ENDORSEMENT AND AUTHORIZATION," AS APPLICABLE. ONCE EXECUTED, IT IS THE RESPONSIBILITY OF EACH PARTY TO FILE THIS AGREEMENT WITH THE PROPER AGENCY IF REQUIRED BY LOCAL OR STATE LAW.

**PUBLIC PROCUREMENT AUTHORITY
ENDORSEMENT AND AUTHORIZATION**

The undersigned acknowledges, on behalf of the Public Procurement Authority ("Lead Contracting Agency") that he/she has read and agrees to the general terms and conditions set forth in the enclosed Intergovernmental Cooperative Purchasing Agreement regulating use of the Master Price Agreements and purchase of goods and services that from time to time are made available by the Public Procurement Authority to Participating Agencies locally, regionally, and nationally through NPP. Copies of Master Price Agreements and any amendments thereto made available by the Public Procurement Authority will be provided to Participating Agencies and NPP to facilitate use by Participating Agencies.

The undersigned understands that the purchase of goods and services under the provisions of the Intergovernmental Cooperative Purchasing Agreement is at the absolute discretion of the Participating Agencies.

The undersigned affirms that he/she is an agent of the Public Procurement Authority and is duly authorized to sign this Public Procurement Authority Endorsement and Authorization.



Date: 2-13-2014

BY: Jeffrey D. Johnson
ITS: Administrator/Board Member

Public Procurement Authority Contact Information:

Contact Person: Heidi Chames
Address: 25030 SW Parkway Ave., Suite 330
Wilsonville, OR 97070
Telephone No.: 855-524-4572
Email: questions@procurementauthority.org

**PARTICIPATING AGENCY
ENDORSEMENT AND AUTHORIZATION**

The undersigned acknowledges, on behalf of City of Dundee ("Participating Agency") that he/she has read and agrees to the general terms and conditions set forth in the enclosed Intergovernmental Cooperative Purchasing Agreement regulating use of the Master Price Agreements and purchase of goods and services that from time to time are made available by the Lead Contracting Agency to Participating Agencies locally, regionally, and nationally through NPP.

The undersigned further acknowledges that the purchase of goods and services under the provisions of the Intergovernmental Cooperative Purchasing Agreement is at the absolute discretion of the Participating Agency and that neither the Lead Contracting Agency nor NPP shall be held liable for any costs or damages incurred by or as a result of the actions of the Vendor or any other Participating Agency. Upon award of contract, the Vendor shall deal directly with the Participating Agency concerning the placement of orders, disputes, invoicing and payment.

The undersigned affirms that he/she is an agent of City of Dundee and is duly authorized to sign this Participating Agency Endorsement and Authorization.

Date: _____

BY: _____
ITS: _____

Participating Agency Contact Information:

Contact Person: Rob Daykin
Address: 620 SW Fish St.
PO Box 220
Dundee, OR 97115
Telephone No.: (503) 538-3922
Email: rob.daykin@dundeecity.org



11/12/2019

To: Dundee Mayor and City Council
From: John Stock, Fire Chief
Re: Extrication Tools (aka Jaws of Life)

Dundee Fire Department has received a grant from the Confederated Tribes of grand Ronde Spirit Mountain Community Fund to help replace our inadequate extrication equipment also known as the Jaws of Life. Our current equipment dates back to the early 90's and is no match for the safety metals found in today's vehicles.

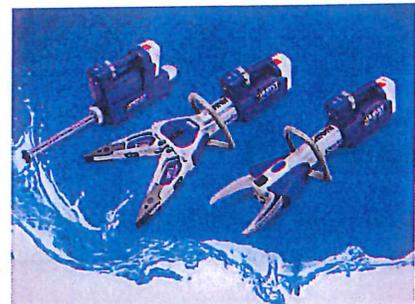
The attached quote from Curtis Tools for Heroes list the items we wish to purchase and includes a trade in of old extrication tools (mostly used tools donated to us, some are broke and others we haven't used due to its age). Curtis is the Sole Source Provider for Hurst tools in Oregon and 12 other Western States.

New Extrication Equipment Cost: \$35,323.03

Grant: \$19,250.00

Dundee Vol's
Donation: \$5,000.00

Fire Dept
Funds: \$11,073.03



*HURST Jaws of Life is the
single most powerful battery
combination tool in the industry!*

Product Specifics

CURTIS, dedicated to providing high quality fire, rescue, safety, and emergency products and services, offers a catalog of products to NPPGov members. Some products on contract include:

- Search, rescue & extrication
- Fire extinguishers & foam
- Firefighting attack
- Firefighting turnouts & related PPE

Some brands on contract include:

- Globe, Bullard, ESS, Honeywell
- Hurst, Paratech, Rescue 42, Blauer
- CrewBoss, Wolfpack, PGI, Shelby
- North American Fire Hose, All American Fire Hose

Pricing Details

This contract offers up to 40% off list price.
For pricing and product details, log in to nppgov.com.

Contract Details

- Log into nppgov.com
- Forms, legal documentation, price lists and other information can be found on the CURTIS vendor page
- Sign the Intergovernmental Agreement (IGA) and keep for your records
- Provide your NPPGov member number on the purchase order



Lead Public Agency: **Public Procurement Authority**

RFP #00000170

CONTRACT TERM

Effective Date: 06/19/17

Initial expiration: 06/19/20

Possible extensions through: 06/19/23

NPPGov

NPPGov is a national cooperative procurement organization based in Seattle, WA offering publicly solicited contracts to government entities nationwide. Our contracts are created through a public solicitation by a Lead Public Agency. Access to our cooperative contracts is free and there are no purchasing obligations.

Benefits of cooperative contracts:

- Competitively bid, no additional RFP necessary
- Saves time and money in your procurement process
- Live contract support

Ph: 206-622-2875
 TF: 800-426-6633
 Fax: 253-236-2997
 nwsales@lncurtis.com
 DUNS#: 00-922-4163



Northwest Division
 6507 South 208th Street
 Kent, WA. 98032
 www.LNCURTIS.com
 Quotation No. 131808

Quotation

CUSTOMER: Dundee City Fire Department PO Box 220 Dundee OR 97115	SHIP TO: Dundee City Fire Department 801 N Highway 99W Dundee OR 97115	QUOTATION NO. 131808	ISSUED DATE 09/24/2019	EXPIRATION DATE 12/31/2019
		SALESPERSON Jerrod Mickle jmickle@lncurtis.com 541-953-5368	CUSTOMER SERVICE REP Heather Dodge hdodge@lncurtis.com 206-596-7910	

REQUISITION NO.	REQUESTING PARTY Chad Jones	CUSTOMER NO. C2489	TERMS Net 30	OFFER CLASS GPO-FR-FFE
F.O.B. SP	SHIP VIA Best Way	REQ. DELIVERY DATE		

SPECIAL INSTRUCTIONS

Dundee NPP.Gov Member # M-5694669

Curtis NPP.Gov Contract # 00000170

NOTES & DISCLAIMERS

THANK YOU FOR THIS OPPORTUNITY TO QUOTE. WE ARE PLEASED TO OFFER REQUESTED ITEMS AS FOLLOWS. IF YOU HAVE ANY QUESTIONS, NEED ADDITIONAL INFORMATION, OR WOULD LIKE TO PLACE AN ORDER, PLEASE CONTACT YOUR SALESPERSON OR CUSTOMER SERVICE REP AS NOTED ABOVE.

LN	QTY	UNIT	PART NUMBER	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	1	EA	272788000-1 HURST	S788E2 EDRAULIC CUTTER ONLY	\$9,036.00	\$9,036.00
2	1	EA	271555000-1 HURST	SP555E2 SPREADER ONLY	\$10,147.50	\$10,147.50
3	1	EA	273028000-1 HURST	SC258E2 EDRAULIC 2 COMBI TOOL	\$9,792.00	\$9,792.00
4	7	EA	272085410 HURST	EXL EXTENDED LIFE BATTERY- F/ EDRAULIC	\$505.00	\$3,535.00
5	3	EA	272080411 HURST	110V 60HZ EDRAULIC BATTERY CHARGER * US PLUG	\$450.00	\$1,350.00

Ph: 206-622-2875
 TF: 800-426-6633
 Fax: 253-236-2997
nwsales@lncurtis.com
 DUNS#: 00-922-4163

CURTIS

TOOLS FOR HEROES

Northwest Division
 6507 South 208th Street
 Kent, WA. 98032
www.LNCURTIS.com
 Quotation No. 131808

LN	QTY	UNIT	PART NUMBER	DESCRIPTION	UNIT PRICE	TOTAL PRICE
6	1	EA	ADDITIONAL DESCRIPTION	AS BELOW: *Low pressure 1- spreader 1- cpmbi tool 2- cutters 4- rams, with misc. adapters 2- power units And several cords *E-DRAULIC 1- cutter 1-spreader 3-chargers 1-battery	\$-5,700.00	\$-5,700.00
7	1	EA	ADDITIONAL DESCRIPTION	AS BELOW: First year of Annual service for four tools covered.	\$0.00	\$0.00
8	1	EA	274085000-1 HURST	R 421E2 EDRAULIC RAM TOOL ONLY	\$5,935.13	\$5,935.13
9	2	EA	272085412 HURST	110V POWER SUPPLY ADPTR PLUG F/ EDRAULIC 2	\$613.70	\$1,227.40

DUNS NUMBER: 009224163
 SIC CODE: 5099
 FEDERAL TAX ID: 94-1214350

THIS PRICING REMAINS FIRM UNTIL 12/31/2019. CONTACT US FOR UPDATED PRICING AFTER THIS DATE.

Subtotal	\$35,323.03
Tax	\$0.00
Transportation*	\$0.00
*(to be added when order ships)	
Total	\$35,323.03