



CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"

AGENDA

CITY COUNCIL – REGULAR MEETING

Troutdale Police Community Center – Kellogg Room
234 SW Kendall Court
Troutdale, OR 97060-2078

Tuesday, January 22, 2019 – 7:00PM

Mayor

Casey Ryan

City Council

*David Ripma
Randy Lauer
Jamie Kranz
Glenn White
Nick Moon
Zach Hudson*

City Manager

Ray Young

City Recorder

Sarah Skroch

1. **PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE.**
2. **PUBLIC COMMENT:** Public comment on non-agenda and consent agenda items is welcome at this time. *Public comment on agenda items will be taken at the time the item is considered. Public comments should be directed to the Presiding Officer, and limited to matters of community interest or related to matters which may, or could, come before Council. Each speaker shall be limited to 5 minutes for each agenda item unless a different amount of time is allowed by the Presiding Officer, with consent of the Council.*
3. **CONSENT AGENDA:**
 - 3.1 **MINUTES:** January 8, 2019 City Council Regular Meeting.
 - 3.2 **RESOLUTION:** A resolution approving an Intergovernmental Agreement with the City of Gresham for continued Building Inspection Services.
 - 3.3 **RESOLUTION:** A resolution approving an Intergovernmental Agreement between the City of Troutdale and the Sandy Drainage Improvement Company allowing each Party to retain the services of the other Party for projects and tasks, and providing a mechanism for reimbursement of costs and expenses.
 - 3.4 **RESOLUTION:** A resolution accepting a perpetual nonexclusive utility easement adjacent to NW Eastwind Drive from Veleriy and Valentina Zhiryada, and NW Freight LLC.
4. **MOTION:** A motion to appoint Councilor Kranz to serve as the Alternate on the Joint Policy Advisory Committee on Transportation (JPACT).
5. **PRESENTATION:** An introduction of the Multnomah County Sheriff's Office Command Staff that will be serving as the City's Chief of Police.

Mayor Ryan

Ray Young, City Manager

6. RESOLUTIONS: Resolutions approving City Financial Statements and receiving the Annual Audit Report:

6.1 A resolution approving the City's financial statements and Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2018.

6.2 A resolution accepting the report of the Independent Certified Public Accountants on the City's Financial Statements for the Fiscal Year ended June 30, 2018, the Auditor Communication Letter (SAS No. 114), and the OAR 162.10, Audits of Oregon Municipal Corporations Letter.

Erich Mueller, Finance Director

7. DISCUSSION: A discussion and direction to staff regarding the old City Hall building.

Ray Young, City Manager

8. STAFF COMMUNICATIONS

9. COUNCIL COMMUNICATIONS

10. ADJOURNMENT



Casey Ryan, Mayor

Dated: January 16, 2019

City Council Regular Meetings will be replayed on Comcast Cable Channel 30 (HD Channel 330) and Frontier Communications Channel 38 on the weekend following the meeting - Friday at 4:00pm and Sunday at 9:00pm.

Further information and copies of agenda packets are available at: Troutdale City Hall, 219 E. Historic Columbia River Hwy. Monday through Friday, 8:00 a.m. - 5:00 p.m.; on our Web Page www.troutdaleoregon.gov or call Sarah Skroch, City Recorder at 503-674-7258.

The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to: Sarah Skroch, City Recorder 503-674-7258.

DRAFT

MINUTES
Troutdale City Council – Regular Meeting
Troutdale Police Community Center – Kellogg Room
234 SW Kendall Court
Troutdale, OR 97060

Tuesday, January 8, 2019 – 7:00PM

1. PLEDGE OF ALLEGIANCE: Lead by Girl Scout Troop 12380

Mayor Ryan called the meeting to order at 7:00pm.

2. ROLL CALL AND AGENDA UPDATE

PRESENT: Mayor Ryan, Councilor Ripma, Councilor Lauer, Councilor Kranz, Councilor White, Councilor Moon and Councilor Hudson.

ABSENT: None.

STAFF: Ray Young, City Manager; Sarah Skroch, City Recorder; Ed Trompke, City Attorney; Chris Damgen, Community Development Director and Erich Mueller, Finance Director.

GUESTS: See Attached.

Mayor Ryan asked, are there any agenda updates?

Ray Young, City Manager, replied there are no updates.

3. MOTION: Election of 2019 Council President

Mayor Ryan stated I will take nominees.

NOMINATIONS:

- Councilor Hudson nominated Councilor Ripma for Council President.

MOTION: Councilor Hudson moved to elect Councilor Ripma as Council President for 2019. Seconded by Councilor Lauer.

VOTE: Councilor Ripma – Yes; Councilor Lauer – Yes; Councilor Kranz – Yes; Mayor Ryan – Yes; Councilor White – Yes; Councilor Moon – Yes; and Councilor Hudson – Yes.

Motion Passed 7 – 0.

4. PUBLIC COMMENT: Public comment on non-agenda and consent agenda items is welcome at this time.

Rich Allen, Troutdale resident, stated I think we're going to have a good Council for 2019-2020 and I look forward to it. I have a few things that I want you to be aware of. Never promise your vote. People will try to mislead you to get you to promise a vote and they'll hold you to that. People will overhear you speaking with others or others speaking to you and they'll attribute their comments to you and may get mad at you for what they said. Don't just read the packet, understand and verify with other sources. The best decisions are made with the best information. Consider different views and learn from each other. Gossip has motives and is usually wrong. Don't believe every item of gossip you hear. Don't be so quick to give responsibilities of your city away to other jurisdictions. If you don't do anything different than your surrounding jurisdictions it is impossible to be any better than your surrounding jurisdictions. Troutdale is a special place. Do what you can to keep it that way.

Paul Wilcox, Troutdale resident, stated I have a handout of my public comment (a copy is attached to these minutes as Exhibit A). Before I start I wanted to emphasize what the Mayor was saying as far as Councilor Ripma filling in for him. He's always done an excellent job. For the big portion of my commentary I'm going to read this (Exhibit A) because it's been a month in the making. I want to mention that this is related to Item #6 on tonight's agenda but it's not directly related. Paul Wilcox read from his handout.

5. CONSENT AGENDA:

- 5.1 MINUTES:** November 27, 2018 City Council Regular Meeting and December 11, 2018 City Council Regular Meeting.
- 5.2 MOTION:** Approval of an Intergovernmental Agreement with Columbia River Estuary Study Taskforce.

MOTION: Councilor Ripma moved to approve the consent agenda. Seconded by Councilor Lauer. Motion Passed 7-0.

6. MOTION: A motion accepting the Selection Committee's recommendation for appointment to the Parks Advisory Committee, Citizens Advisory Committee, Budget Committee, Planning Commission and Historic Landmarks Commission.

MOTION: Councilor Lauer moved to approve the recommendations forwarded by the Selection Committees. Seconded by Councilor Hudson.

VOTE: Councilor Ripma – Yes; Councilor Lauer – Yes; Councilor Kranz – Yes; Mayor Ryan – Yes; Councilor White – Yes; Councilor Moon – Yes; and Councilor Hudson – Yes.

Motion Passed 7 – 0.

7. DISCUSSION: A discussion on City Council appointments to EMCTC, RDPO and MPAC.

Mayor Ryan stated I would like to nominate Jamie Kranz for the EMCTC. I have sat on that seat for the last 2 years. The first year I was good but this last year work has just taken me away from being able to be there. It is an important committee and one that needs to be attended often. It meets once a month on a Monday from 3 to 5.

Councilor Ripma asked, Jamie, are you willing?

Councilor Kranz replied I was going to ask if I could. That would be great.

Ed Trompke, City Attorney, stated go through them all and get a consensus and then do a roll call at the end with all three.

Mayor Ryan stated I can be the alternate for EMCTC. The next one is the RDPO which Councilor Lauer expressed some interest in that.

Councilor Lauer stated yes, absolutely. I'd be more than willing to do it.

Councilor Moon stated I'll throw my hat in the ring on that one.

Mayor Ryan asked, will we have an alternate on that too?

Ray Young replied yes. I had been kind of serving as the alternate and Rich had been the primary. If anybody has any questions, you could ask Rich Allen on how it operates. MPAC is rotating among the 3 cities. Councilor Morgan was our alternate 2 years and our primary last year. It's Fairview's turn for the primary and Wood Village is going to find the alternate.

Ed Trompke stated the appointment process is not by vote of the Council. Section 18(c) of the Charter says that the Mayor appoints Councilors or others to represent the City before a non-community and intergovernmental organization.

Mayor Ryan stated Councilor Kranz will serve EMCTC and I'll be the alternate. I'm going to choose Councilor Lauer for RDPO and Councilor Moon will be alternate. I also suggest that you guys do go together.

8. STAFF COMMUNICATIONS

Ray Young stated the League of Oregon Cities Day at the Capitol is on January 24th. You've all been offered an opportunity. I'm going to register Councilor Lauer and myself. If anybody wants to go, email me tonight or tomorrow. It will be morning events from 9 to 12. We are closed on for Martin Luther King Day on January 21st. We have hired an electronic media specialist, Kevin Mooney. On January 22nd we're going to have a photographer here to update photographs for Council.

9. COUNCIL COMMUNICATIONS

Councilor Ripma stated Happy New Year.

Councilor Lauer stated Happy New Year and welcome, Councilors Kranz and Moon.

Councilor Kranz stated Happy New Year and I'm looking forward to working together.

Mayor Ryan stated thank you for your comments, Councilor (Rich Allen). My goal for 2019 is to keep up the positive motion that we've had over the last couple of years.

Councilor White stated Happy New Year. I agree with the Mayor in that there was a lot of wisdom in what Councilor Allen said during public comment. I want to welcome the 2 newest Councilors.

Councilor Moon stated thanks for the warm welcome. Everyone has been super nice.

Councilor Hudson stated I echo everyone's sentiments.

10. ADJOURNMENT

MOTION: Councilor Ripma moved to adjourn. Seconded by Councilor Lauer. Motion passed unanimously.

Meeting adjourned at 7:28pm.

Casey Ryan, Mayor

Dated: _____

DRAFT

ATTEST:

Kenda Schlaht, Deputy City Recorder

Since committee appointments are on the agenda tonight, I thought this would be an appropriate time to address issues with the committee member selection process.

The procedure, as described in Section 2.20.020 of the Troutdale Municipal Code, reads "The selection committee is comprised of the city council and the highest ranking officer of the respective committee, who will serve as chair of the selection committee. The selection committee shall interview all applicants for the position when feasible." A literal interpretation of this would be that there is a separate and distinct selection committee for each of the City's citizen committees. While each selection committee would have the entire Council in common, each selection committee would have a different chairperson, except where the same person was the highest ranking officer for more than one committee.

[This structure is also reinforced by the statement within each committee description that members are "Appointed by the city council.

Recommended by selection committee of the city council and the highest ranking officer of the Budget Committee" or any of the other named committees.]

However, for at least the last two years, what I would describe as a "super-committee" model has been utilized. In fact, the committee meeting agenda description for the Dec. 6, 2018 session reads "The Selection Committee, which includes the City Council and the Chair of each committee, will meet to interview applicants to serve on the Budget Committee, Planning Commission, Parks Advisory Committee, Citizens Advisory Committee, and the Historic Landmarks Commission." The meetings have also been run very differently than a collection of five different selection committees meeting consecutively. The pattern has been that the Mayor or Council President has acted as the de facto chairperson of this overarching super-committee, with every committee chairperson being free to participate and provide input on the selection of members for any and all of the various committees. One advantage I'll acknowledge in having all the chairpersons having access to all the applicants is that it provides an opportunity for them to "recruit" members for their committees who may not have applied to those particular committees. On the other hand, I don't see that the chair of the Budget Committee is especially qualified to be involved in the

selection of members for the Parks Advisory Committee, or vice versa, or any other combination of committees.

In any case, the most recent practices are not in accord with the TMC as written. If the Council wishes to adopt the super-committee model, the TMC should be revised to reflect that. The CAC could be tasked with that project, although City Manager Ray Young did suggest back in Nov. 2017 that the CAC review some other committee member selection practices, and the CAC never took it up. The language could also be simply revised and updated by the City Attorney.

Another related issue that came to the fore this past December was that due to Council elections every two years there's the potential for 3 or 4 Council members participating in the selection process not being in office subsequent to the applicants being appointed. Since the Council and the selection committee are the same bodies, it seems inappropriate for "lame duck" Council members to be involved in filling 3 or 4 year positions into the future, not to mention that any new Council members will not have had any say in those selections. Another aspect of this is if Council members leaving office have applied for committee positions. This could be easily avoided by scheduling the selection interviews in late January. The code already allows for committee terms to be extended beyond Dec. 31 if positions have not been filled.

["Unless otherwise specified in the law or action creating the committee, a member's term on the committee shall expire on December 31st of the year the member's term has been designated to expire. If no qualified successor has been appointed as of that date, a member's term shall continue until the member's successor is appointed and qualified."]

One final loose end that should also be addressed is an official declaration as to the status of the Public Safety Advisory Committee.

Submitted by:

Paul Wilcox

1/8/19

CITY OF TROUTDALE

City Council – Regular Meeting
7:00PM

Tuesday, January 8, 2019

PLEASE SIGN IN

Name – Please Print	Address	Phone #
Brian Cooper	Fairview	971-570-3831
SIM JACKSON	TROUTDALE	503-956-2118
Amasa Moon	Troutdale	503-307-2435
PAUL WILCOX	POUSSY	
Alan Jett	Troutdale	
Nian Costa	Troutdale	503 881 408
REBECCA STAVENJORD	MULT CO D4	503-988-5013
Lon Coulter	Troutdale	504 701 4333
Pat Antonik	Troutdale	716 648 7065
Rich Allen	Troutdale	503-512-8060
Dick Golke	TIPALC	503-358-1428

BACKGROUND:

Building services are provided by the City through delegation of authority under the State Building Code. The City operates the Building Inspection program which requires certified personnel to perform plan reviews and structural, mechanical, electrical and plumbing inspections, and building official duties.

Since 2013 the City has provided building inspections services through a combination of City employees and contracted service providers both from the City of Gresham and private firms. The high degree of variability in development activity over the past decade has hampered regular employee staffing levels. The effective use of contracted service providers has allowed the City to effectively flex with the ebbs and flows of inspection volume demand.

As you were briefed at the May 22, 2018 Council meeting, the State Building Codes Division (BCD) April 23, 2018 proposed additional changes to the Oregon Administrative Rules (OAR) would negatively impact the City, as well as most other Oregon Cities and Counties. After significant feedback, coordinated by the League of Oregon Cities, the BCD rescinded the rules May 18, 2018. The BDC issued new temporary rules October 10, 2018 which expected to be replaced in April 2019.

CURRENT:

The IGA will enable Gresham and the 3 Cities to comply with the current temporary rules and better position the inspection programs to comply with the program renewal requirements. The successor IGA helps Gresham standardize its service delivery to the 3 Cities, provides for cost recovery requirements of the BDC for program costs, and provides a certified Building Official for the 3 Cities.

The City continues to maintain local control through the Troutdale Development Code and ensuring compliance with zoning and land use standards. However, operating a standalone Troutdale Building Inspection Program remains increasing difficulty, due to the increased licenses and certification requirements and lack of qualified inspectors, the practical obstacle of having no office space to house an inspection staff, and the high cost of having permanent full time staff regardless of fluctuating inspection volume.

The IGA with enables the sharing resources, better serves the public, and voids unnecessary duplication of staff, equipment, and training and will continue to promote efficiency and effectiveness in local government administration and service delivery.

The IGA term is through fiscal year 2022-2023, has an annual fiscal year CPI fee adjustment beginning in fiscal year 2020-2021, and may be terminated at any time after 180 days' notice.

Exhibit A

1/22/19 Council Mtg #3.2

INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITIES OF GRESHAM AND TROUTDALE

City of Gresham Contract No. _____

This agreement (Agreement) is made and entered into by and between the City of Gresham (Gresham) and the City of Troutdale (Troutdale) effective as of February 1, 2019.

RECITALS

- A. Troutdale has an operational need for additional staffing of a Building Department to perform residential, commercial and/or industrial building permit related services based on actual and projected workloads including Building Official, plans examiner(s), structural/mechanical building inspector(s), specialty code inspectors (electrical, plumbing), life safety and structural engineering. In addition, Troutdale has an occasional need for advisory only services related to potential non-building code enforcement case(s) that are not associated with active building permit(s).
- B. Gresham and Troutdale have for the past couple years had an established and successful contract relationship for the provision of Building Inspection services, and desire to continue and build upon this existing partnership.
- C. Development and construction activity in Multnomah County, Gresham and Troutdale will continue to experience variations in the demand for Building Services over the course of the next several fiscal years.
- D. Gresham and Troutdale agree that the IGA enables the sharing of resources, better serves the public, and voids unnecessary duplication of staff, equipment, and training and will continue to promote efficiency and effectiveness in local government administration and service delivery.
- E. By the authority granted in Oregon Revised Statutes (ORS) 190.010 et. seq., local government agencies may enter into cooperative agreements with other units of local government for the performance of work on certain types of projects with the allocation of costs on terms and conditions mutually agreeable to the contracting parties.

Now therefore, it is agreed by and between Gresham and Troutdale as follows:

TERMS OF AGREEMENT

1. Services:

- 1.1. Gresham shall provide Troutdale qualified plans examiner(s), structural/mechanical building code inspector(s), specialty code inspector(s) for electrical & plumbing, structural engineering plans examiner and building official staff (collectively Staff) with sufficient expertise and experience to perform the services, when requested by Troutdale.
- 1.2. Gresham will, to the best extent possible, endeavor to provide the necessary Staff, upon request, to attend appointments in Troutdale with one business day advance notice.
- 1.3. Most other plan review and administrative related work performed by Staff that is associated with this IGA will take place at Gresham City Hall. Permit technician services are not included in this scope of work.
- 1.4. When requested, Gresham will provide Troutdale occasional advisory only services related to a potential non-building code enforcement case that is not associated with an active building permit.

2. Inspections and Plan Review:

- 2.1. Inspections: Gresham will provide residential, commercial and industrial building(structural), mechanical, plumbing, and electrical inspections in accordance with Troutdale's Operating Plan filed with the State of Oregon Building Codes Division. Gresham will endeavor to perform requested inspections no more than one business day after the request is received. Should Gresham need to reschedule an inspection to the following business day because of operational limitations, Gresham Staff will notify Troutdale as well as the person(s) requesting the inspection. Unless otherwise agreed upon, in the event an inspection request is received after working hours, on weekends or holidays, the request shall be treated as received on the next regular business day. The assigned Troutdale Permit Technician will coordinate with Gresham Staff each morning about inspection workload for the given day.
- 2.2. Plan Review: Gresham will provide residential, commercial and industrial plan review services for Troutdale for all disciplines (building, mechanical, plumbing, and electrical) as required by applicable Oregon Revised Statutes (ORSs) and Oregon Administrative Rules (OARs). Gresham will also provide any necessary structural engineering review with a licensed professional engineer as requested. The assigned Troutdale Permit Technician will coordinate the responsibility of routing plans between Troutdale and Gresham.

2.3. Performance Standards for Gresham Plan Review will be as follows:

2.3.1. Most residential plans and commercial plans identified as "simple" shall be reviewed within 10 business days of Gresham's receipt, and not more than 5 business days of Gresham's receipt for the review of a resubmittal.

2.3.2. All commercial plans not deemed simple, and complex residential plans shall be initially reviewed and comments provided within 15 business days of Gresham's receipt and not more than 5 business days of Gresham's receipt for the review of a resubmittal.

2.3.3. In the event that Gresham cannot perform in accordance with this standard, Troutdale, after providing Gresham seven (7) calendar days written notice and an opportunity to cure, has the right to select from a mutually agreed upon list of firms, and at its own expense, a State of Oregon Building Codes Division approved Third-Party Plan Review and Inspection Business, to complete the plan reviews and/or inspections not performed by Gresham.

2.3.4. If Troutdale elects to obtain Third-Party Plan Review and Inspection services, Gresham will remain the Building Official and retains the right to review and approve the Third-Party Plan Review and Inspection Business' service work, to ensure compliance with the Building Code.

2.4. Policies: Troutdale policies and procedures will apply to permit fees and processing, plan review comments, scheduling of inspections and recording of inspection results. Gresham will lead an ongoing effort throughout the term of this agreement to work with Troutdale in establishing, to the best extent possible, consistent administrative policies, methodologies and processing standards related to the execution of daily building permit related responsibilities. Examples include but are not limited to assessing of reinspection fees, issuance of temporary or permanent certificate of occupancies, inspection request types, inspection scheduling, stop work orders, deferred submittals, etc.

2.5. Communication: For communication to its customers, Troutdale will establish email addresses for identified Gresham Staff along with letterhead for any written communications. Before Gresham Staff approves a Troutdale issued certificate of occupancy, temporary or permanent, Gresham Staff shall request and receive confirmation from Troutdale that all fees and other development related obligations have been satisfied.

- 2.6. Hour Adjustments. Any adjustment to hours shall be at the mutual agreement of the Troutdale City Manager or designee and the Gresham Community Development Director.
- 2.7. Building official duties, plan reviews and inspections performed will be limited to those job functions contained within Gresham's Job Classification(s) and generally include but are not limited to intake and processing of planning and building applications, reviewing building permit submittals for compliance with applicable codes and standards, inspection of work to verify conformance with applicable codes and standards, administrative duties as building official for the jurisdiction, calculation of fees associated with permit applications, serving as a liaison with building inspectors and applicants, and maintenance of associated files.
- 2.8. Rates. Services, including any applicable travel time, will be provided at an hourly rate (rounded up to the nearest quarter hour) payable to the City of-Gresham, in accordance with the schedule shown below:
- Plans Examiner/Building Inspector/Structural Engineer/Building Official/Administrative Assistant/Community Development Director - \$79.69 per hour through February 28, 2019.
 - Plans Examiner/Building Inspector/Structural Engineer/Building Official/Administrative Assistant/Community Development Director - \$115.00 per hour beginning March 1, 2019 through June 30, 2020.
 - Beginning July 1, 2020, for Fiscal Year 2020/2021 and for each fiscal year thereafter, the hourly rate for service will be adjusted beginning July 1 of each fiscal year utilizing an agreed upon methodology as shown in Exhibit A to this agreement.
 - If Services are requested outside typical business hours (Monday-Friday 7:30 AM – 4:30 PM), an overtime premium of \$30 per hour will be added to the hourly rates above.
- 2.9. Gresham Implementation Requirements. Gresham implementation of the Scope of Work includes providing the public with information about code requirements, interpretation of the codes, plan review, inspections and limited code enforcement.
- 2.10. Gresham will pursue code enforcement related to active building permits only. Gresham will pursue code enforcement for a maximum of 30 days, in accordance with Troutdale 's policies and procedures and the applicable code. If the code enforcement issue is not resolved after the expiration of 30 days, Gresham will refer the issue to Troutdale for further enforcement action.
- 2.11. When requested by Troutdale, and with written consent by the applicants, Gresham will review a building permit application that has already undergone partial planning review but has not received full planning approval.

The applicant's consent must acknowledge that they accept the inherent risk of proceeding prior to full planning approval and the potential that final planning approval and/or Gresham's building permit review might require additional fees and services to be paid for by the applicant prior to the issuance of the building permit.

3. **Billing and Payment.** Gresham will invoice Troutdale each month for the prior month of service with a billing period of 21st of the month through the 20th of the following month, with billing based on time sheets submitted by Staff to Gresham, for services performed on an hourly basis. Invoices and supporting documentation will be delivered by email in a PDF format attached file, and will be received by Troutdale no later than the 10th calendar day following the month of service (Example: Hours worked from January 21 – Feb 20 will be invoiced by March 10). The time sheets shall include time actually worked (rounded up to the nearest quarter hour increment) by Gresham. Troutdale agrees to pay the invoice within 30 calendar days from receipt of the invoice.
4. **Assumption Plan.** Gresham agrees to evaluate the Troutdale Building Department program assumption plan in accordance with OAR 918-020-0095 and ORS 455.148 or ORS 455.150, making recommendations for the modifications of the plan, if any. Troutdale will be responsible for the submittal of the plan and the plan contents. Reporting required under the plan shall be completed by Troutdale with Gresham providing all required information not available to Troutdale.
5. **While performing Services,** Staff will be subject to the direction and control of the Troutdale City Manager or designee as it relates to the above stated scope of work. This requirement; however, does not supersede any authority or responsibility conferred by law, statute or rule upon the Building Official acting in his/her capacity on behalf of the City of Troutdale. Staff shall follow all applicable state laws, Troutdale file management, administrative forms and procedures, code compliance software and Troutdale will ensure that Staff use of software or copyrighted material is allowed under any applicable license. Staff will remain full-time or part-time employees of Gresham and will continue to be compensated and provided benefits, as applicable, by Gresham and shall not be entitled to any benefits or other compensation from the City of Troutdale. Nothing herein is intended to nor does it create an employment relationship between Gresham Staff and Troutdale.
6. **All fees for, and revenue generated by the work performed by Staff while working at Troutdale will be collected and retained by Troutdale.**
7. **Staff's work will be evaluated by the Troutdale City Manager or designee and communicated to the Gresham Community Development Director on a not-less-than a monthly basis. Responsibility for addressing grievances, disciplining Staff or resolving other personnel-related problems will be the responsibility of the Gresham Community Development Director, with the full cooperation and**

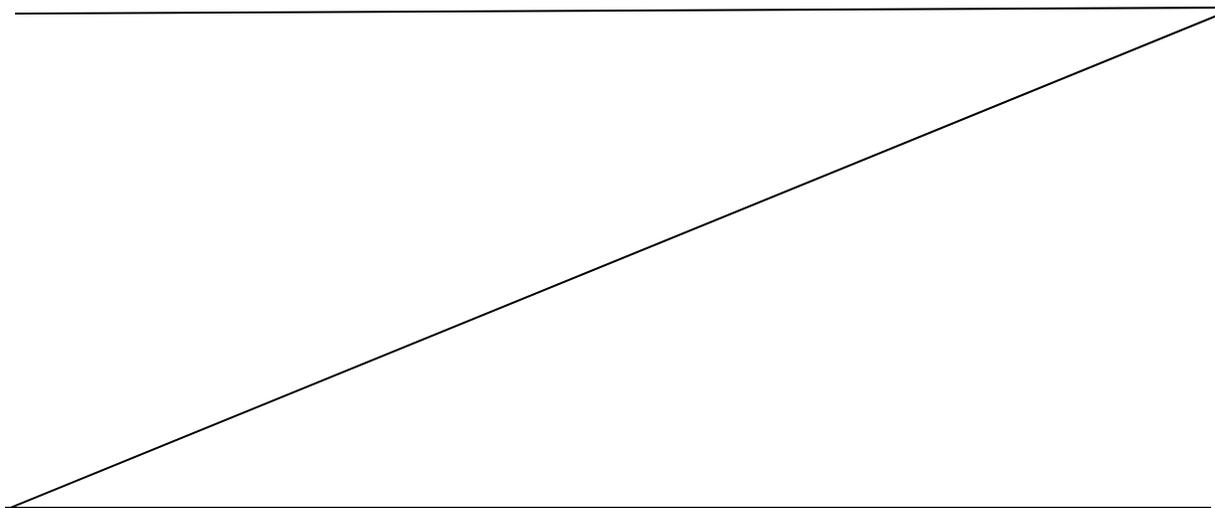
assistance of the Troutdale City Manager or designee.

8. This Agreement expires June 30, 2023. Either party may terminate the Agreement at any time prior to that expiration date by providing a minimum one hundred eighty (180) days written notice to the other party. This Agreement may be extended in one-year increments with not less than ninety (90) days prior written notice and the mutual consent of both parties' city managers in writing.
9. Subject to the limitations of the Oregon Tort Claims Act, each party agrees to indemnify, defend and hold harmless the other party and its officers, agents, employees and elected officials from any and all liability, loss, and costs arising out of or resulting from the acts of the individual City, their officers, agents, employees and elected officials, including intentional or willful misconduct, in the performance of this Agreement.
 - 9.1. In addition to Section 9, The City of Troutdale agrees to indemnify, defend, hold harmless, and make whole the City of Gresham, City of Gresham Staff, and the City of Gresham's officers, agents, employees, and elected officials (indemnified parties) from any and all liability, loss, or cost, including the fees of attorneys and expert witnesses related in any way to the denial, condition, suspension, revocation, or refusal to issue or renew any indemnified party's license, registration, or certificate provided for or required by the Building Code Division (OAR Chapter 918) but only to the extent arising out of or in any way related to the acts of the City of Troutdale, its officers, agents, employees and elected officials, including but not limited to intentional or willful misconduct.
10. In accordance with ORS 455.148, 455.150, 455.210 and OAR 918.020 and any other applicable state statutes and administrative rules, Troutdale shall provide Gresham any requested budgetary and financial records that would demonstrate, to Gresham's satisfaction, that any dedicated program revenues and associated expenditures for building permit related activity are used for the administration and enforcement of a building inspection program for which Troutdale has assumed responsibility.
11. The Gresham Community Development Director and Troutdale City Manager or designee may establish rules and practices necessary carry out this Agreement. Such rules and practices shall be put in writing and bear the signatures of the Gresham Community Development Director and Troutdale City Manager or designee to signify mutual agreement. Rules and practices adopted under this paragraph shall not modify the terms of this Agreement.
12. Troutdale agrees to provide all necessary equipment to perform the Services including desktop computers located in Troutdale offices, office supplies and materials, but not including vehicles, cell phones or laptop computers. Any personal protective gear unique to Staff shall be provided by Gresham. In the event Staff needs Gresham equipment to perform the Services, Troutdale shall not be required to compensate Gresham for Staff use of Gresham equipment,

including use of city vehicles.

13. Each jurisdiction is a subject employer under the Oregon Workers' Compensation Law, and at all times shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon Law for all their subject workers. Each party agrees to maintain insurance consistent with the Oregon Tort Claims Act, ORS 30.270 and customary for public agencies of the same size and type.
14. Troutdale and Gresham agrees this Agreement does not constitute a transfer of a public employees pursuant to ORS 236.605 through 236.640.
15. This Agreement and attached exhibits constitute the entire agreement between Gresham and Troutdale on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement will bind either party unless in writing and signed by all parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, will be effective only in the specific instances and for the specific purpose given. This Agreement is personal to Troutdale and Gresham and is not intended to confer upon any other person or entity any rights or remedies whatsoever.
16. This Agreement supersedes and replaces Intergovernmental Agreement #6963 between Troutdale and Gresham.

Note: Agreement continues and signatures on following page.



The parties by execution of this Agreement hereby acknowledge that their respective city managers have read and understand this Agreement, that each has the authority to sign and bind respectively Gresham and Troutdale and that Gresham and Troutdale shall be bound by its terms and conditions.

CITY OF GRESHAM

CITY OF TROUTDALE

Erik Kvarsten, City Manager
City of Gresham

Ray Young, City Manager
City of Troutdale

Date

Date

APPROVED AS TO FORM:
CITY OF GRESHAM

APPROVED AS TO FORM:
CITY OF TROUTDALE

City Attorney's Office

City Attorney

Exhibit A

Rate Methodology - Composite Hourly Rate as of July 1, 2020:

Beginning July 1, 2020, for Fiscal Year 2020/2021 and for each fiscal year thereafter, the composite hourly rate for service for a given fiscal year shall be calculated using the methodology described below, or \$115 per hour, whichever is greater:

Per Gresham's Projected Budget for fiscal year 20__/20__,

Hourly rates for each position below:

(Taking into account budgeted salary and fringes-no overheads)

- Assistant Building Official \$A per hour
- Building Inspector II \$B per hour
- Building Inspector III \$C per hour
- Plans Examiner II \$D per hour
- Plans Examiner III \$E per hour
- Structural Engineer \$F per hour
- Program Technician \$G per hour

Calculate the average hourly rate: $(A + B + C + D + E + F + G) / 7 = \text{"H"}$
(base composite hourly rate)

Multiply "H" by Department Overhead (40%) and reduced Central Service Allocation (15%): $H * 1.40 * 1.15 = \text{"CHR"}$ (Adjusted Composite Hourly Rate*)

Note: * Calculated CHR does not include any permit technician services nor does it include any accounting for any potential future use of Gresham's permitting and plan review software. Should either be required as part of the IGA, or if the scope of services is altered, Gresham will propose a new rate to account for the additional services.

RESOLUTION NO.

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF GRESHAM FOR CONTINUED BUILDING INSPECTION SERVICES.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. By delegation of authority under the State Building Code, the City operates the Building Inspection program which requires certified personnel to perform plan reviews, specialty codes inspections, and building official duties.
2. That the City has an operational need for additional staffing of a Building Department to perform on a “as requested” basis, building permit services based on actual and projected workloads including plan reviews, specialty codes inspections, and building official duties, (Building Inspection Services).
3. That through an Intergovernmental Agreement (IGA) adopted by Resolution 2665 December 13, 2016, for building inspection services, the City has an established and successful contract relationship with the City of Gresham, and that the Cities desire to continue and build upon this existing partnership.
4. That with the fluctuation in development and construction activity in Multnomah County, Gresham and Troutdale have experienced variations in the demand for Building Inspection Services over the course of the past several fiscal years.
5. That the Cities agree that the IGA enables the sharing resources, better serves the public, and avoids unnecessary duplication of staff, equipment, and training and will continue to promote efficiency and effectiveness in local government administration and service delivery.
6. That by the authority granted in Oregon Revised Statutes (ORS) 190.010 et. seq., local government agencies may enter into cooperative agreements with other units of local government for the performance of work on certain types of improvement projects with the allocation of costs on terms and conditions mutually agreeable to the contracting parties.
7. That Gresham through their Community Development Department has the resources to continue to provide quality and professional Building Inspection Services.
8. That the IGA for Building Inspection Services from Gresham is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

Section 1. Agrees now that the City enter into an IGA with the City of Gresham for Building Inspection Services, and approves the IGA in substantial conformity with Exhibit A of the Staff Report.

Section 2. Designates the Ray Young, City Manager or Erich Mueller, Finance Director (each a "City Official") or a designee of the City Official, to act on behalf of the City, and without further action by the City Council, the City Official is hereby authorized, empowered and directed to sign the IGA on behalf of the City, and any and all other required and necessary documents to implement the intent of the IGA.

Section 3. The City Official is hereby authorized and directed to execute, acknowledge and deliver the IGA in substantial conformity with Exhibit A of the Staff Report, including any other supporting and implementing documents, and to take any other action as may be advisable, convenient, necessary, or appropriate to give full force and effect to the terms and intent of the resolution, and the execution thereof by any such City Official, shall be conclusive as to such determination.

Section 4. The City Official is hereby authorized and directed to revise the Building Inspection Program Operating Plan and make other changes as may be necessary to reflect the IGA and any other administrative or program changes, and to file the plan with the Oregon Building Codes Division.

Section 5. The City Official is hereby authorized and directed to update software and computer network systems for the efficient and effective electronic submission of building plans and permit processing, and make other changes as may be necessary to continue to promote efficiency and effectiveness in local government administration and service delivery.

Section 6. Further, consistent with intent of the IGA, and in the best interest of the City, the City Official is authorized to determine, execute, acknowledge and deliver any subsequent addendums, appendices, extensions, revisions, modifications, or successor documents of the IGA, and the execution thereof by any such City Official, shall be conclusive as to such determination.

Section 7. The Finance Director is authorized to disburse funds as necessary to fulfill the IGA obligations, and is further directed to implement all such actions necessary to ensure budgetary compliance.

Section 8. This Resolution shall be effective upon adoption.

YEAS:
NAYS:
ABSTAINED:

Casey Ryan, Mayor

Date

Sarah Skroch, City Recorder
Adopted:



CITY OF TROUTDALE



STAFF REPORT

SUBJECT / ISSUE: A Resolution approving an intergovernmental agreement between the City of Troutdale and the Sandy Drainage Improvement Company allowing each Party to retain the services of the other Party for projects and tasks, and providing a mechanism for reimbursement of costs and expenses

MEETING TYPE:
City Council Regular Mtg.

STAFF MEMBER:
Travis Hultin, Deputy PW Director/Chief Engineer

MEETING DATE:
January 22, 2019

DEPARTMENT:
Public Works

ACTION REQUIRED:
Resolution

ADVISORY COMMITTEE/COMMISSION RECOMMENDATION:

PUBLIC HEARING:
No

N/A

Comments:

STAFF RECOMMENDATION: Approve the resolution authorizing the IGA

EXHIBITS:

A. North Troutdale Drainage Basin/SDIC boundary map

SUBJECT / ISSUE RELATES TO:

Council Goals

Legislative

Other (describe)

Interagency partnerships

ISSUE / COUNCIL DECISION & DISCUSSION POINTS:

- ◆ The City and SDIC have a long and successful history of partnering in the provision of their closely related storm water management and flood protection missions, resulting in mutual benefit for the SDIC members and the City's constituents.
- ◆ The need for more frequent and efficient partnering in the execution of projects and provision of services is increasing substantially with the rapid industrial development of the north Troutdale drainage basin.
- ◆ Entering into separate IGA's between the City and SDIC for each project or service is time-consuming and costly, and can often impede and/or delay the efficient execution of each party's respective missions.
- ◆ The subject IGA will allow the parties to partner on projects, and retain each other's services, through task orders executed administratively (by City Staff). Task orders with a total cost exceeding \$50,000 require Council approval.
- ◆ This IGA is very similar in nature and effect to other IGA's the City has executed with other agencies for mutual provision of services (e.g. mutual aid agreements).

Reviewed and Approved by City Manager:

BACKGROUND:

The Sandy Drainage Improvement Company provides specific stormwater management and flood protection services within the north drainage basin in the City of Troutdale. City and SDIC (“the Agencies”) storm drainage systems intersect and complement each other in maintaining an effective overall drainage network within that area. The Agencies have a long and successful history of partnering and collaborating in the planning, funding, and execution of projects and services within the basin to the common benefit of property owners, SDIC members, and the City’s constituency.

In the past, the Agencies have typically entered into separate and unique IGA’s for each project or service that they have partnered to implement. The drafting, negotiation, legal review, and adoption processes for these IGA’s is lengthy, costly, and inefficient for both parties. This can lead to substantial impediments and delays in the execution of needed projects and services. Respective Agency staff discussed these concerns and concluded that cost and delays could be greatly reduced if the Agencies entered into an IGA that sets up a framework for partnering on projects and services through a more efficient and streamlined administrative “task order” process. Each task order would establish the respective scope of work and reimbursement requirements for each party. This framework would be practically identical in nature, intent, and function to mutual aid IGA’s that the City has entered into with many other public agencies in the past.

Task orders with a total cost of less than \$50,000 will be executed administratively (by City staff), without the requirement for Council approval of the individual task order. Task orders with a total cost exceeding \$50,000 will require Council approval prior to staff’s execution of the task order.

A present example of a project that would be partnered through a task order under this IGA is the Unified North Troutdale Storm Water Master Plan (City CIP SDN29). This plan will be a collaborative effort of the two agencies to prepare and mutually adopt an updated stormwater master plan for the north Troutdale basin. If this IGA is approved, City and SDIC staff will prepare a task order establishing the scope of work, respective roles, a timeline, and the parties respective cost shares for the project. The cost of this project will exceed \$50,000, so the task order will require City Council and SDIC board approval prior to execution by City staff.

A present example of a service that the City would obtain from SDIC through a task order under this IGA is maintenance of Graham Road storm drainage channel. This large open channel stormwater conveyance was constructed as part of the Troutdale Reynolds Industrial Park development as a public facility to be owned and operated by the City. The City has not previously operated and maintained that type of stormwater conveyance, and is not well equipped or experienced to do so. Contrastingly, SDIC maintains many similar conveyance channels in close proximity and therefore has the appropriate types of equipment to do so, as well as staff that perform maintenance of that type of facility routinely. Rather than purchase additional equipment and dedicate maintenance staff to maintain that unfamiliar infrastructure, it would behoove the City to retain SDIC to provide that maintenance. A multi-year task order for this service may not exceed \$50,000 in total cost, and if that is the case the task order will be executed administratively without the need for City Council review.

In any case, City staff's ability to execute task orders would be subject to the limitations of budget appropriations, as well as other applicable policies that Council has adopted or may adopt, like any other authorized administrative function that staff undertakes.

PROS & CONS:

Pros:

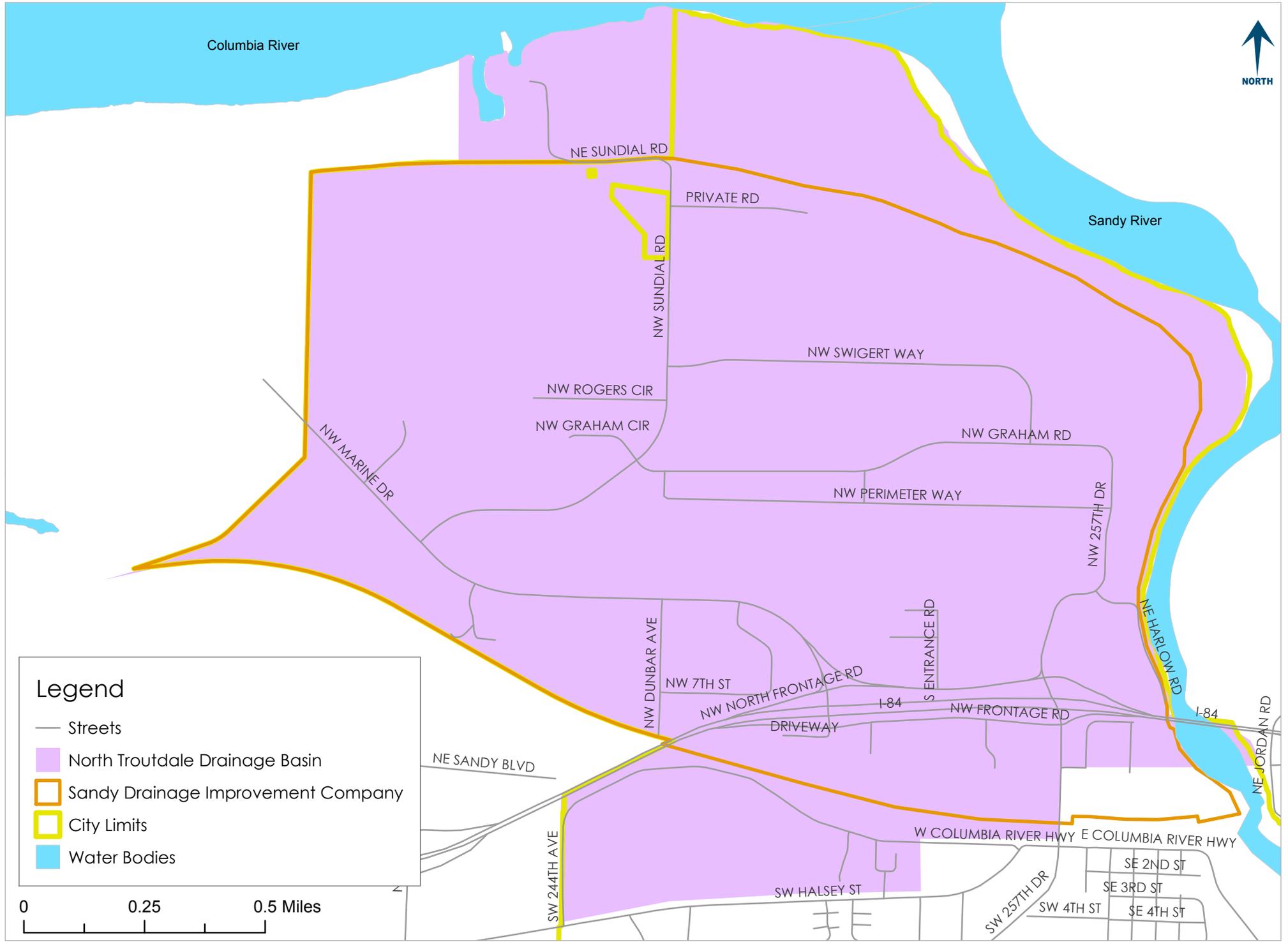
- Provides a more streamlined process for the City and SDIC to partner in the execution of projects and the provision of services
- Reduces delays and impediments to the execution of needed projects and services
- Saves costs for both parties typically incurred in the drafting, negotiation, legal review, and adoption of individual unique IGA's
- Foster a closer and more efficient working relationship between the City and SDIC

Cons:

- Removes the City Council from the direct approval process for task orders with a total cost of less than \$50,000

<p>Current Year Budget Impacts: <input type="checkbox"/> Yes (<i>describe</i>) <input checked="" type="checkbox"/> N/A</p> <p>Future Fiscal Impacts: <input checked="" type="checkbox"/> Yes (<i>describe</i>) <input type="checkbox"/> N/A Reduces staff and legal costs that would be incurred in drafting/reviewing/adopting multiple unique IGA's</p> <p>City Attorney Approved: <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p>Community Involvement Process: <input type="checkbox"/> Yes (<i>describe</i>) <input checked="" type="checkbox"/> N/A</p>

North Troutdale Drainage Basin and Sandy Drainage Improvement Company Exhibit A



RESOLUTION NO.

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF TROUTDALE AND THE SANDY DRAINAGE IMPROVEMENT COMPANY ALLOWING EACH PARTY TO RETAIN THE SERVICES OF THE OTHER PARTY FOR PROJECTS AND TASKS, AND PROVIDING A MECHANISM FOR REIMBURSEMENT OF COSTS AND EXPENSES

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. The City of Troutdale (City) and the Sandy Drainage Improvement Company (SDIC) provide related and complementary storm water management and flood protection functions within the north Troutdale drainage basin.
2. The City and SDIC have a long history of partnership, collaboration, and cooperation in executing their respective storm water management and flood protection missions, including formally partnering on appropriate projects and services. With the rapid industrial development of the north Troutdale drainage basin that is occurring, the need for the City and SDIC to formally partner and collaborate on projects and services more frequently and efficiently is increasing substantially.
3. In the past, the City and SDIC have entered into separate Intergovernmental Agreements (IGA's) for each project and each service, requiring lengthy and costly processes to draft, negotiate, review, and approve an IGA each time.
4. The authority of governmental entities to collaborate in the provision of services and to enter into IGA's is provided in ORS 190.
5. The City and SDIC desire to enter into a master framework IGA that will allow the City and SDIC to more efficiently partner on projects and retain each other's services through task orders, and provide reimbursement for such projects and services.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE

Section 1. The City Council authorizes the City Manager to execute an Intergovernmental agreement on behalf of the City with the Sandy Drainage Improvement Company, in substantial conformance with Attachment A.

Section 2. This resolution is effective immediately upon adoption.

**YEAS:
NAYS:
ABSTAINED:**

Casey Ryan, Mayor

Date

**Sarah Skroch, City Recorder
Adopted:**

**INTERGOVERNMENTAL AGREEMENT
between
CITY OF TROUTDALE
and
SANDY DRAINAGE IMPROVEMENT COMPANY
for
Services and Projects**

SD-1807-###-IGA

This Intergovernmental Agreement ("Agreement") made by and between the City of Troutdale ("City"), a municipal corporation of the State of Oregon, and the Sandy Drainage Improvement Company ("SDIC") a nonprofit drainage improvement corporation organized under ORS Chapter 554 (collectively, the "Parties," and each individually a "Party").

RECITALS

- A. The Parties are authorized under the provisions of ORS 190.010 to enter into intergovernmental agreements for the performance of any or all functions that a party to the Agreement has authority to perform.
- B. Pursuant to ORS Chapter 554, SDIC is authorized to provide flood risk reduction and water drainage services within its jurisdictional boundaries, including through the operation and maintenance of certain levees and drainage works that are located within the City's jurisdictional boundaries. Through a current Intergovernmental Agreement ("IGA"), the Board of Directors of SDIC delegated to Multnomah County Drainage District No. 1 ("MCDD") certain management and administrative authority.
- C. The City owns and/or regulates certain real properties and owns and operates certain drainage facilities that are located within SDIC's jurisdictional boundaries.
- D. From time to time, the Parties have cooperated and worked with and for each other on various projects to support each Party's respective mission and goals, which provide critical services to the public and which sometimes complement one another and in some instances may overlap.
- E. The Parties now wish to establish in writing each Party's general responsibilities, define the methods by which the Parties will determine the specific services to be provided, together with determining the financial responsibilities of the Parties and the method for authorizing the services in a timely manner.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein and in the Agreement, the parties agree as follows:

TERMS

1. PURPOSE

The purpose of this agreement is to allow each Party to retain the services of the other Party for projects that support the mission of the requesting party, based on the judgment of the requesting party, and to provide a mechanism for reimbursement of costs and expenses through task orders and based on specific tasks performed by one party at the request of the other.

2. TASK ORDERS

- a. Each Party, may request the service of the other Party on a reimbursable task order basis. The party receiving the request may accept or decline the request, at its sole discretion.
- b. SDIC's Project Manager and the City's Project Manager will oversee the preparation and completion of such task orders.
- c. The task orders must be in writing and signed by both Parties prior to beginning any of the work to be performed under the Task Order, and contain the following: a time frame; cost estimate; scope of work with assumptions; and deliverables. Signed task orders are incorporated herein as part of this Agreement and must be attached and maintained as an exhibit to this Agreement.
- d. Any task order for services that are estimated to exceed \$50,000 in cost requires approval of the governing bodies.
- e. Each party shall adopt and apply a cost accounting system that substantially complies with the model cost accounting guidelines developed by the Oregon Department of Administrative Services as required for compliance with ORS 279C.310.

3. INVOICES AND PAYMENT

The Parties agree to bill monthly as services are performed, and services will be billed on a time and materials basis. Subject to the terms of this IGA, each Party must, within 30 days following receipt of each invoice, make payment for services rendered. Invoices will include an itemized accounting of the services billed. All payments by the City to SDIC must be made to SDIC. Alternative payment schedules and terms may be established a specific task order, when clearly specified in the task order and agreed upon by both parties.

4. STANDARD OF PERFORMANCE

The Parties agrees that the services it agrees to perform will be done in a safe, prudent, and reasonable manner, at the level of care and skill normally exercised by other experienced professionals rendering similar services to those contemplated by this Agreement, and in compliance with applicable laws and regulations.

5. ADMINISTRATION OF AGREEMENT

The City acknowledges that through the delegation IGA, MCDD has certain management and

administrative authority of SDIC, including the authority to administer this Agreement on behalf of SDIC. In the event that specified MCDD personnel are no longer able to administer this Agreement, the Executive Director of MCDD shall designate new MCDD staff to administer this Agreement. All Parties will be notified in writing if such change occurs. In the event that the current authorization and delegation IGA is terminated such that MCDD personnel are no longer able to administer this Agreement, SDIC's Board of Directors will designate a new administrator.

6. AMENDMENT

This Agreement may be amended by mutual written agreement of the Parties. Amendments shall be valid only when reduced to writing, approved as required, and signed.

7. TERM AND TERMINATION

This Agreement becomes effective upon the date that it has been executed by all Parties and shall remain in effect until July 31, 2022, unless terminated earlier by the Parties. This Agreement may be terminated by one Party upon ninety (90) days' notice to the other Party, or by mutual written agreement of the Parties. If the Agreement is terminated under this section, the Parties will pay for any work performed prior to the termination date.

8. NOTICES AND PROJECT MANAGERS

All notices required or permitted under this IGA will be deemed given if in writing and delivered personally, by e-mail, or mailed, postage-prepaid, by certified mail, return receipt requested, to the Project Managers identified below. Oral notices permitted under this IGA which are given by telephone must be given to the Project Manager at the telephone number below. A Party may change the information in this subsection by written notice to the other Party.

To the City:

Public Works Director
342 SW 4th Street
Troutdale, OR 97060

To SDIC:

Bill Owen, Flood Control Director
1880 NE Elrod Drive
Portland, OR 97211
bowen@mcdd.org
(503) 281-5675 x. 321

9. INDEMNIFICATION

Subject to the conditions and limitation of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, each Party agrees to indemnify, defend, and hold harmless each other from and against all liability, loss, and costs arising out of or resulting from the negligent acts of that Party, its officers, employees, consultants, contractors, and agents in the performance of this Agreement. Neither Party assumes any responsibility to the other Party for the consequences of any act or omission of any person, firm, or corporation not a Party to this Agreement.

10. INSURANCE

Each Party shall each be responsible for providing worker's compensation insurance as required by law; provided that MCDD, as the administrator for SDIC, will provide such insurance on behalf of SDIC. No Party shall be required to provide or show proof of any other insurance coverage.

11. SUBCONTRACTING

The services to be performed by a Party must be directed by that Party's Project Manager. The performing Party may not assign, subcontract, or transfer the agreed upon service to any consultant or contractor without a prior written approval from the requesting Party. The requesting Party may review and provide written approval of the performing Party's chosen consultant or contractor agreements and their insurance coverage prior to the execution of the approval. The performing Party must comply with all federal and state laws and regulations governing the selection and employment of any such consultants or contractors, and must ensure that the selected consultants or contractors have insurance coverage routinely expected of such consultants or contractors for the type of services to be provided.

12. ADHERENCE TO LAW

Each Party shall comply with all federal, state, and local laws and ordinances applicable to this Agreement.

13. ACCESS TO RECORDS

Each Party shall have access to the books, documents, and other records of the other Party which are related to this Agreement for the purposes of examination, copying, and audits, unless otherwise limited by law.

14. ASSIGNMENTS

No Party will assign any part of this Agreement without the written consent of the other Party.

15. NO THIRD PARTY BENEFICIARIES

Except as expressly provided herein, this Agreement is not intended to create rights in or to grant remedies to any third party as a beneficiary of this Agreement or of any duty, obligation or undertaking established herein.

16. ENTIRETY OF AGREEMENT

This Agreement constitutes the entire Agreement between the Parties on this subject. No waiver, consent, modification, or changes of the terms of the Agreement shall bind either Party unless made in writing and signed by all Parties.

17. SEVERABILITY

The Parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions

shall not be affected, and the rights and obligations of the Parties shall be constructed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

18. WAIVER

A waiver by either Party of any provision, condition, or covenant of this Agreement may not be construed by the other Party as a waiver or subsequent breach of the same by the other Party.

19. COUNTERPART EXECUTION

This Agreement may be executed in multiple counterparts, each of which will be deemed to be an original, and such counterparts will constitute one and the same instrument. This Agreement will not be effective until all Parties have executed this Agreement, or a counterpart of this Agreement. Execution of this Agreement may be accomplished by electronic means.

SANDY DRAINAGE IMPROVEMENT COMPANY CITY OF TROUTDALE

Signature:

Signature:

Print Name:

Print Name:

Print Date:

Print Date:

Print Date:

Print Date:

APPROVED AS TO FORM:

Signature:

Print Name:

Print Date:



CITY OF TROUTDALE



STAFF REPORT

SUBJECT / ISSUE: A resolution accepting a perpetual nonexclusive utility easement adjacent to NW Eastwind Drive from Veleriy and Valentina Zhiryada, and NW Freight LLC

MEETING TYPE:

City Council Regular Mtg.

STAFF MEMBER:

Travis Hultin, Deputy PW Director/Chief Engineer

MEETING DATE:

January 22, 2019

DEPARTMENT:

Public Works

ACTION REQUIRED:

Consent Agenda - Resolution

ADVISORY COMMITTEE/COMMISSION RECOMMENDATION:

N/A

PUBLIC HEARING:

No

Comments:

STAFF RECOMMENDATION: Approve the resolution accepting the easement

EXHIBITS:

A. Vicinity Map of 901 NW Eastwind Drive

SUBJECT / ISSUE RELATES TO:

Council Goals

Legislative

Other (describe)

Utility Easement

ISSUE / COUNCIL DECISION & DISCUSSION POINTS:

- ◆ This perpetual nonexclusive utility easement is needed to accommodate the extension of a public storm sewer main, now completed, on the NW Freight property.
- ◆ The property owner/developer proposed the main extension to facilitate full development of their site.
- ◆ The property owner has agreed to the easement dedication and has executed the easement dedication agreement.

Reviewed and Approved by City Manager:

BACKGROUND:

NW Freight LLC is nearing completion of development improvements on their property at 901 NW Eastwind Drive (see attached vicinity map). An existing public storm sewer main in NW Eastwind Drive (a private road) previously discharged onto the NW Freight site, and such discharge ran overland to the stormwater system along Marine Drive. When designing the layout of the site, the developer proposed to extend the existing main on the site in order to hard pipe, underground, the previously overland flow, thereby facilitating full development of the site. The City accepted this approach, and the developer has completed construction of the storm sewer main extension. As this main runs across private property, a condition of the development and the extension is that the developer must provide an easement for the additional public storm sewer main installed on their property.

The property owner/developer has agreed to the easement dedication and completed all of the required surveying and document preparation for the easement based on the City’s standard template for such documents with guidance, review and oversight by City Staff.

PROS & CONS:

Pros:

- Provides utility easement necessary public ownership, operation, and maintenance of the public storm sewer main extension

Cons:

- None

Current Year Budget Impacts: <input type="checkbox"/> Yes (<i>describe</i>) <input checked="" type="checkbox"/> N/A
Future Fiscal Impacts: <input type="checkbox"/> Yes (<i>describe</i>) <input checked="" type="checkbox"/> N/A
City Attorney Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No
Community Involvement Process: <input type="checkbox"/> Yes (<i>describe</i>) <input checked="" type="checkbox"/> N/A

Exhibit A

Preexisting storm main and outfall

Storm main extension



Legend

StormMH

- STORM MANHOLE

TYPES

- ACCESS RISER ONLY
- FLOW CONTROL
- POLLUTION CONTROL
- WATER QUALITY MH
- OutFall

Culvert

- Culvert

StormPipe

- <all other values>

TYPES

- CATCH BASIN LEAD
- COUNTY
- DITCH INLET LEAD
- MAIN
- PRIVATE LATERAL
- PRIVATE STORM
- ROOF DRAIN

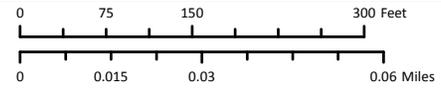
Street Labels
Address Label

- Taxlots | Yellow
- Stream
- Water Bodies
- Troutdale City Limits

Image

RGB

- Red: Red
- Green: Green
- Blue: Blue



Vicinity Map

RESOLUTION NO.

A RESOLUTION ACCEPTING A PERPETUAL NONEXCLUSIVE UTILITY EASEMENT ADJACENT TO NW EASTWIND DRIVE FROM VELERIY AND VALENTINA ZHIRYADA, AND NW FREIGHT LLC

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. Veleriy Zhiryada, Valentina Zhiryada and NW Freight LLC are the owners of the real property at 901 NW Eastwind Drive that is being developed.
2. In conjunction with the NW Freight development, the developer extended the existing public storm water main on the NW Freight property, adjacent to NW Eastwind Drive, a private road, to facilitate full development of the site.
3. As a condition of the development and storm main extension, the property owners are required to dedicate a fifteen foot wide public utility easement on NW Freight property.
4. The property owner has provided signed easement documents of a form and content that is in accordance with the requirements of the City (attached).

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE

Section 1. The City of Troutdale accepts the public utility easement from Veleriy Zhiryada, Valentina Zhiryada, and NW Freight LLC, included herewith as Attachment A, for the construction, installation, operation, maintenance, repair, and/or modification of utility systems or components thereof.

Section 2. This resolution is effective upon adoption.

YEAS:

NAYS:

ABSTAINED:

Casey Ryan, Mayor

Date

Sarah Skroch, City Recorder
Adopted:

After recording, return to:

Valeriy & Valentina Zhiryada
Northwest Freight LLC
20913 NW 6th Ct, Ridgefield, WA 98642.

City Recorder
City of Troutdale
219 E Historic Columbia River Highway
Troutdale, OR 97060

UTILITY EASEMENT AGREEMENT

This Utility Easement Agreement ("AGREEMENT") is entered into by VALERIY ZHIRYADA, VALENTINA ZHIRYADA & NORTHWEST FREIGHT LLC, a *Washington Limited Liability Company* ("GRANTOR"), and the CITY OF TROUTDALE, an Oregon municipal corporation ("GRANTEE"), as of the date the GRANTOR signs the Certificate of Grantor.

RECITALS

A. GRANTOR owns the property described in this Agreement under paragraph 10 (the "Easement Area"). GRANTOR also owns other real property adjacent to and in the vicinity of the Easement Area.

B. GRANTEE is a municipal corporation in the State of Oregon which owns and operates public utilities and grants franchises to other entities to provide additional utilities within the City of Troutdale.

C. The purpose of this Agreement is to grant a utility easement to GRANTEE for access and use of the Easement Area.

EASEMENT GRANTED

1. **Grant.** For no dollars but for other good and valuable consideration that is acknowledged and received, GRANTOR hereby grants to GRANTEE, and GRANTEE hereby accepts from GRANTOR, a perpetual non-exclusive easement for the Easement Area so that GRANTEE, its franchised utility companies, and its agents and assigns, may construct, install, access, operate, inspect, maintain, repair, replace, and/or modify components of utility systems including, but not solely limited to water, sanitary sewer, transportation, storm water, electric power, natural gas, and telecommunications systems.

2. **Limitations.** GRANTOR shall not construct, install, nor place any structure (including any eaves or other architectural appendages), pavement, or vegetation within the Easement Area except for shallowroot grasses and low-growing shrubs (but not trees), fences as permitted by applicable City regulations, and sidewalks or driveways. Any damages to GRANTEE's utilities caused by GRANTOR's construction, installation, or placement of shallowroot grasses, lowgrowing shrubs, fences, sidewalks, driveways, or any unauthorized structures, pavement or vegetation, within the Easement Area shall be repaired or replaced by GRANTOR, or by the GRANTEE at the GRANTOR's expense, as determined by the GRANTEE.

3. **Use and Access.** GRANTOR shall allow GRANTEE, its franchised utility companies, and its agents and assigns, unrestricted and unobstructed access to the Easement Area at all times to properly construct, install, access, operate, inspect, maintain, repair, replace,

and/or modify components of utility systems. All maintenance and grounds keeping within the easement area, other than maintenance that is necessary to install, access, operate, inspect, maintain, or repair utility systems or components, is the responsibility of the GRANTOR. Any loss, damage, or destruction caused by GRANTEE to GRANTOR's property in accessing the Easement Area or in performing the aforementioned actions, whether or not such loss, damage or destruction was to GRANTOR's shallowroot grasses, lowgrowing shrubs, fences, sidewalks or driveways that are allowed in accordance with paragraph 2, shall be the responsibility of GRANTOR.

4. **Binding Effect, Run with the Land.** This Agreement shall run with the land as to all real property burdened and benefited, and shall inure to the benefit of GRANTOR, GRANTEE and their respective successors and assigns.

5. **Attorney Fees.** In the event legal action is commenced in connection with this Agreement, the prevailing party in such action shall be entitled to recover its reasonable attorney fees and costs incurred in the trial court and any appeal therefrom. The term "action" shall be deemed to include action commenced in the Bankruptcy Court of the United States and any other court of general or limited jurisdiction. The reference to "costs" includes, but is not limited to, deposition costs (discovery and otherwise), witness fees (expert and otherwise), outofpocket costs, title search and report expenses, survey costs, surety bonds and any other reasonable expenses.

6. **Severability.** If any portion of this Agreement shall be invalid or unenforceable to any extent, the validity of the remaining provisions shall not be affected thereby.

7. **Integration.** This Agreement constitutes the entire, final and complete agreement of the parties pertaining to this utility easement, and supersedes and replaces all other written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the Easement Area is concerned. Neither party shall be bound by any promises, representations or agreements except as are expressly set forth herein.

8. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the state of Oregon. The parties agree to venue in Multnomah County, state of Oregon.

9. **Nonwaiver.** Failure by either party at any time to require performance by the other party of any of the provisions in this Agreement shall in no way affect the party's rights under the Agreement to enforce the provisions in this Agreement, nor shall any waiver by a party of the breach of the provisions in this Agreement be held to be a waiver of any succeeding breach or a waiver of this nonwaiver clause.

10. **Easement Area.**

EXHIBIT A attached to this Document.

CERTIFICATE OF GRANTOR

I, Valeriy Zhiryada, owner or the authorized representative of the owner of the property described above, hereby certify that the foregoing easement is granted to the City of Troutdale.

Dated this 3rd day of December, 2018

[Signature]
Grantor's Signature

Valeriy Zhiryada
Grantor's Typed or Printed Name

20913 NW 6th CT
Address

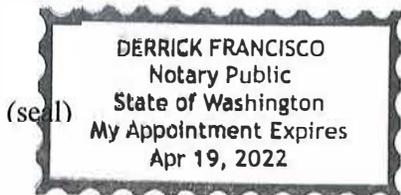
Ridgefield WA 98642
City, State, Zip Code

STATE OF OREGON ^(OR) ~~WASHINGTON~~)
COUNTY OF MULTNOMAH ^(OR) ~~CLATSOP~~) ss.

Personally appeared the above named Valeriy Zhiryada and
acknowledged the foregoing instrument to be His voluntary act and deed.

[Signature]
Notary Public

My Commission expires: Apr 19, 2022



CERTIFICATE OF GRANTOR

I, Valentina Zhiryada, owner or the authorized representative of the owner of the property described above, hereby certify that the foregoing easement is granted to the City of Troutdale.

Dated this 3rd day of December, 2018.

[Handwritten Signature]
Grantor's Signature

VALENTINA ZHIRYADA
Grantor's Typed or Printed Name

20913 NW 6th Ct
Address

Ridge Field, WA 98642
City, State, Zip Code

STATE OF ~~OREGON~~ ^{WASHINGTON})
COUNTY OF ~~MULTNOMAH~~ ^{CLATSOP}) ss.

Personally appeared the above named VALENTINA ZHIRYADA and acknowledged the foregoing instrument to be His voluntary act and deed.

[Handwritten Signature]
Notary Public

My Commission expires: Apr 19, 2022



CERTIFICATE OF GRANTOR

I, Valentina Zhiryada, owner or the authorized representative of the owner of the property described above, hereby certify that the foregoing easement is granted to the City of Troutdale.

Dated this 3rd day of December, 2018

NORTHWEST FREIGHT LLC, a Washington Limited Liability Company

by: [Signature]

Print Name: VALENTINA Zhiryada

Member

STATE OF ~~OREGON~~ WASHINGTON)
COUNTY OF ~~MULTNOMAH~~ CLATSOP) ss.

This instrument was acknowledged before Me on DEC 03, 2018

by VALENTINA ZHIRYADA as MEMBER of NORTHWEST FREIGHT, LLC

Notary Public [Signature]

My Commission expires: APR 19, 2022



CERTIFICATE OF GRANTEE

I, _____ Recorder of the City of Troutdale, hereby certify that the foregoing easement was accepted by the City Council of the City of Troutdale on the ____ day of _____, _____ by Resolution No. _____.

Dated this _____ day of _____, _____.

City Recorder

(seal)

APPROVED AS TO FORM:

By: _____
City Attorney

STATE OF OREGON)
) ss.
COUNT OF MULTNOMAH)

Personally appeared the above named City Recorder and acknowledged the foregoing instrument to be the voluntary act and deed of the CITY OF TROUTDALE.

BEFORE ME: _____
Notary Public for Oregon
Commission Expires: _____

(seal)

Exhibit A

A portion of Parcel 2, Partition Plat No. 1994-139 for the purpose of a drainage easement in the NE 1/4 of Section 27, Township 1N, Range 3E, W.M. in the City of Troutdale, Multnomah County, State of Oregon, more particularly described as follows:

Beginning at a point which lies 93.07' along a curve to the left with a radius of 1507.40' from the northwest corner of said Parcel 2, the long chord of which bears S65°39'55"E, 95.05', said point being the intersection of the south right of way of NE Marine Drive and the east boundary line of NW Eastwind Drive as platted in Multnomah County Partition Plat No. 1994-139; running thence 94.62' along the east line of NW Eastwind Drive, a curve to the left with a radius of 225.00', the long chord of which bears S14°06'09"W, 93.92'; thence S87°56'41"E, 33.25'; thence N47°10'21"E, 44.66'; thence N33°07'24"E, 43.07' to a point on the south right of way of NW Marine Drive; thence 71.48' along said right of way, a curve to the right with a radius of 1507.40', the long chord of which bears N68°47'33"W, 71.47', back to the point of beginning.

TOGETHER WITH a 15' wide strip of land located on said Parcel 2, centered on the line described as follows:

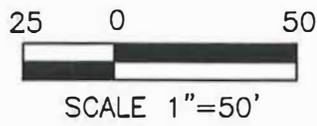
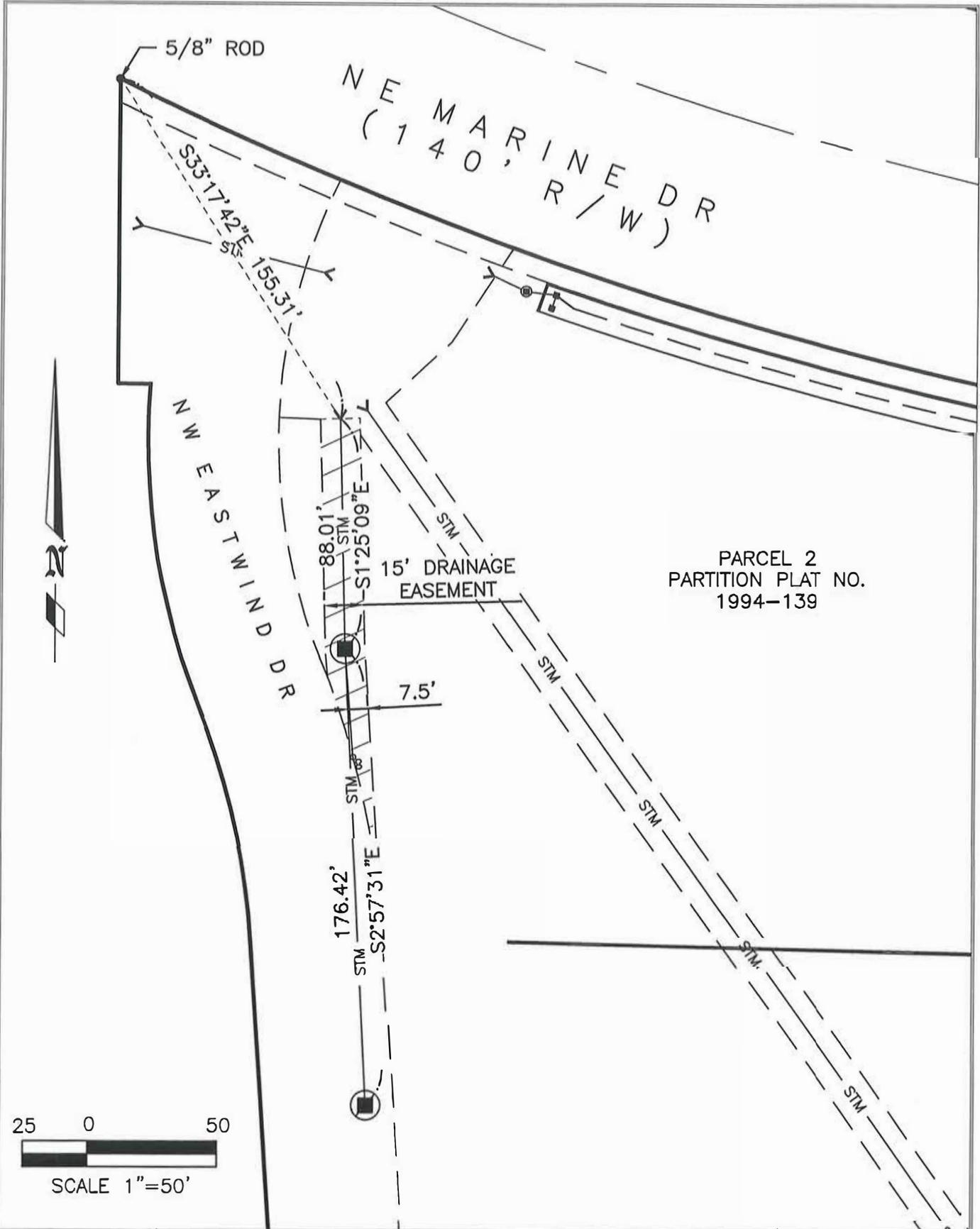
Beginning at the outfall of a storm drain pipe as constructed which lies approximately S33°17'42"E, 155.31' from the northwest corner of said Parcel 2; running thence approximately S1°25'09"E, 88.01' to the center of a manhole as constructed; thence approximately S2°57'31"E, 176.42' to the center of another manhole as constructed.

EXCEPTING THEREFROM that portion lying westerly of the east boundary line of NW Eastwind Drive as platted in Multnomah County Partition Plat No. 1994-139.

ALSO EXCEPTING THEREFROM any portion lying in the public right of way.

The land herein described containing an area of 6894 square feet, more or less.





DATE 11/19/2018
SCALE AS SHOWN
DRAWN NMT
FILE 16077

**NORTHWEST FREIGHT
DRAINAGE EASEMENT**

SHEET
EXH 'C'
OF 1 SHEETS



CITY OF TROUTDALE



STAFF REPORT

SUBJECT / ISSUE: A Resolution approving the City's Financial Statements and the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018.

MEETING TYPE:
City Council Regular Mtg.

STAFF MEMBER:
Erich Mueller

MEETING DATE:
January 22, 2019

DEPARTMENT:
Finance

ACTION REQUIRED:
Resolution

ADVISORY COMMITTEE/COMMISSION RECOMMENDATION:

PUBLIC HEARING:
No

N/A

Comments:

STAFF RECOMMENDATION: Adopt the proposed resolution approving the Financial Statements and CAFR for fiscal year 2017-2018.

EXHIBITS: A. Comprehensive Annual Financial Report (CAFR) FY 2017-2018

SUBJECT / ISSUE RELATES TO:

- Council Goals
- Legislative
- Other (describe)

Approving the financial statements and the CAFR documents compliance with ORS 297.425

ISSUE / COUNCIL DECISION & DISCUSSION POINTS:

- ◆ The CAFR is the City's presentation of its financial statements for external reporting purposes, and facilitates the monitoring and accountability responsibilities of the City Council for oversight of the City's fiscal affairs.
- ◆ City Management is primarily and ultimately responsible for the fairness of the presentation of the basic financial statements.
- ◆ The Council's approval of the City's CAFR will complete the audit for the fiscal year ended June 30, 2018.

Reviewed and Approved by City Manager: 

BACKGROUND:

The CAFR for the fiscal year ended June 30, 2018 contains the City's official financial statements which were subject to audit by an independent certified public accounting firm.

The CAFR comprises three basic sections: the introductory section which provides general information on the government's structure, the financial section that provides information on each individual fund, and the statistical section which provides a broad range of financial and demographic information useful in assessing a government's economic condition.

The *minimum* level of Generally Accepted Accounting Principles (GAAP) compliant financial reporting for state and local governments requires a complete set of basic financial statements, including accompanying note disclosures, and certain required supplementary information (RSI).

The City has chosen to exceed the minimum GAAP requirement by completing the broader framework of a CAFR. The City participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. The most recent GFOA certificate is on page (v) of the attached CAFR.

The City has successfully obtained the GFOA Certificate of Achievement for Excellence in Financial Reporting for the past 28 consecutive years, and with this report now in review by GFOA, anticipates a 29th successful year. Of the 38,000 municipal governments across the country, Troutdale is among the only 4,299 which obtain the Certificate of Achievement for Excellence in Financial Reporting Program.

The Statistical Section (beginning on page 86 of the report) includes useful information for the Council, management, citizens and financial partners of the City. Historical data is presented for assets, fund balances, assessed values, property taxes, debt, demographics and City internal functions. This information helps the reader understand where the City has been and where it is going.

Much of this additionally information is required to maintain compliance with the City's "continuing disclosure" requirements of our publicly issued debt, both Bank debt and General Obligation Bonds. It will also be required in future years for upcoming full faith and credit borrowing the City is planning to issue.

SUMMARY:

The resolution establishes the official record of the City financial statements and supports transparency to the public and City debt investors, of the City's sources and uses of funds.

PROS & CONS:

- A. Approving the financial statements and the CAFR as prepared by staff documents compliance with the Municipal Audit Law, ORS 297.425.
- B. Not approving the financial statements and the CAFR fails to comply with the Municipal Audit Law, ORS 297.425 creating negative consequences for City's banking relationships and credit rating, and increased liability.

Current Year Budget Impacts: <input type="checkbox"/> Yes (<i>describe</i>) <input checked="" type="checkbox"/> N/A
Future Fiscal Impacts: <input type="checkbox"/> Yes (<i>describe</i>) <input checked="" type="checkbox"/> N/A
City Attorney Approved: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A
Community Involvement Process: <input type="checkbox"/> Yes (<i>describe</i>) <input checked="" type="checkbox"/> N/A

CITY OF TROUTDALE
TROUTDALE, OREGON

For the Year Ended June 30, 2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT



12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF TROUTDALE OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2018

SUBMITTED BY
FINANCE DEPARTMENT

Erich Mueller

CITY OF TROUTDALE, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2018

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INTRODUCTORY SECTION



CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"

December 21, 2018

TO THE HONORABLE MAYOR, MEMBERS OF THE CITY COUNCIL, AND CITIZENS OF THE CITY OF TROUTDALE, OREGON

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Troutdale, Oregon for the fiscal year ended June 30, 2018. State law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City selected the accounting firm of Pauly, Rogers and Co., P.C. to conduct the independent financial audit. The auditor rendered an unmodified ("clean") opinion on the City of Troutdale financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY PROFILE

The City of Troutdale is located in northwestern Oregon, in the eastern part of the Portland metropolitan area, in Multnomah County. It is comprised of approximately six square miles and has a population of 16,185.

Troutdale was incorporated in 1907 and operates under the provisions of its own charter adopted in 1994 and applicable State law. The City operates under the Council-Manager form of government. Policy making and legislative authority are vested in the City Council which consists of a Mayor and six Council members. The Mayor is elected to a four-year term; the Council members are elected at large by the citizens of Troutdale with each Councilor serving a four-year term. The City Council provides community leadership and develops policies to guide the City by setting goals, passing ordinances and adopting resolutions, appointing advisory committees, authorizing contracts, adopting budgets, and hiring the City Manager, City Attorney and City Judge.

The City Manager is the administrative head of the City responsible for carrying out the policies and ordinances of the Council, managing the day-to-day operations of the City and appointing department heads.

The City provides a full range of services as authorized in its charter and ordinances. This includes police protection, contract fire service, street construction and maintenance, water, sanitary and storm sewers, parks, land use planning and zoning, public improvements, building inspections, code enforcement, municipal court, recreation programs and general administrative services.

The City's annual budget is prepared in accordance with the provisions of Oregon Local Budget Law. The budgeting process includes citizen input through various stages of preparation, public hearings, and adoption of the final budget by the City Council. Additional resources not anticipated in the adopted budget may be added through the use of a supplemental budget. A supplemental budget requires hearings before the public, publication in newspapers, and formal adoption by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers with required approval by the City Council.

This annual budget serves as the foundation for the City of Troutdale's financial planning and control. Budgetary control is maintained and appropriated at the department or program level in the general operating fund and public services fund while all other funds are maintained and appropriated by major category of expense, such as personnel services, materials and services, capital outlay, debt service, and transfers. The operating contingency account is appropriated separately in each fund.

For additional statistics and information about the City of Troutdale please refer to the Statistical Section of this report.

ECONOMIC CONDITION AND OUTLOOK

The economy has improved somewhat over the past year with an expected 3% GDP in 2018 following a 2.3% rate in 2017. The recent improvement in consumer sentiment provides some encouragement to the outlook. Corporate profits have continued to climb since November of 2016. Both home prices and unemployment have continued to improve, with auto sales, while export manufacturing is slowing due to a stronger dollar and emerging markets weakness.

The ongoing economic recovery has impacted the Portland metropolitan area with positive but modest job growth during the past year. Both construction activity and business tax collections continue to improve from the 2008 financial crisis levels.

The certified population of Troutdale was recently updated to reflect census results bring total residents to 16,185. Improvement in the new commercial construction from no activity in the prior year and a slight uptick in residential property activity both point to an improving real estate market. There is renewed interest in Troutdale Reynolds Industrial Park (TRIP) site with the addition of the Amazon.com fulfillment center project underway. Building permit revenues for construction in Troutdale increased significantly from prior year, \$1.1 million over budget of additional building permit and plan review revenue which should be followed by continued construction activity in coming year.

The City of Troutdale receives a portion of the business income tax collected by Multnomah County. The tax paid to the County equals 1.45% of net business revenues. The County shares 10% of the collections with the City of Troutdale, City of Gresham, City of Wood Village and City of Fairview. The tax is distributed based on population and assessed values. Troutdale received \$1.2 million in the current year, an increase of \$131,000 or 12%, from the prior year, representing continued local business growth.

The City's location in the Portland metropolitan area provides citizens with many diverse employment opportunities. The unemployment rate for the Portland metropolitan area was 3.8% in June 2018, and has moved down slightly from 3.9% a year prior. The national average of 3.7% with the Oregon State unemployment rate of 4% slightly above.

Troutdale has a diversified economic base. The City is home to one of the Port of Portland's three general aviation airports. The vibrancy of Troutdale is apparent with its easy access to the Port of Portland's international airport and Interstate 84 with two major travel center trucking stops, three motels, one hotel/resort and recreational vehicle park. Troutdale is home to light manufacturing, regional transportation trucking facilities, residential care facilities, factory outlet stores and state of the art shopping centers. A community college and major hospital facility border the south corporate boundary of Troutdale.

Troutdale's strategic location at the eastern edge of the Portland metropolitan area, the western gateway to the Columbia River Gorge National Scenic Area and the Sandy River Recreation Area, allows Troutdale to offer a combination of urban and rural lifestyles to its residents as well as attracting tourists and providing extensive services to commercial travelers.

The City faces longer term financial impact items which include City Hall replacement, Urban Renewal Agency cost, capped property tax increases, increasing health care and retirement costs, and limited acreage for residential development.

See the Management's Discussion and Analysis (MD&A) section for additional discussion of economic factors affecting the City.

MAJOR FINANCIAL INITIATIVES

Urban Renewal Agency for the City of Troutdale – In January 2006 the City Council established the Urban Renewal Agency for the City of Troutdale (Agency). In May 2006 the Troutdale voters approved the Troutdale Riverfront Renewal Plan. The goal of the Agency is to fund public improvements and spur private development in the Troutdale Riverfront area. The goal of the district is to promote the optimum development of the site. In 2018 the Agency purchased real property from Eastwinds Development LLC, to combine with the City owned land that housed the former sewage treatment plant, to undertake environmental remediation and site demolition to prepare the property for redevelopment. The City and Agency entered into a prospective purchaser agreement with the State of Oregon Department of Environmental Quality through Consent Judgment to provide for environmental liability protections for future approved development. The Agency budget appropriation was provided by the City during the 2017-2018 fiscal year and is included as a component unit in the City's financial statements.

Full Faith and Credit Obligations – In order to fund the Agency's real property purchase the City borrowed \$5 million to provide an interfund loan to the Agency. The City is obligated to repay these debts from any available general revenue. Lenders see these debt payments as first priority payments from the General Fund without regard to other City spending considerations. Through an Intergovernmental Government Agreement (IGA) the City loaned the full \$5 million to the Agency to purchase the property and perform site preparation for resale including demolition and environmental cleanup across both properties. The Agency is obligated under the IGA to pay the City from the property sale proceeds, however if the fair reuse value at which the Agency sells the property is less than the costs, there will be inadequate funds to repay the City in full. However, the City will still be required to repay the outstanding Full Faith and Credit obligations at time of the property resale. Additionally, General Fund during the site preparation period, is required to make the annual debt service payments without revenue from the Agency until the property resale, which will impact both the budget and the ending fund balance.

Police Department Building – On November 2, 2010 Troutdale voters decided it was a civic priority to construct the proposed Community Police Facility by approving \$7.5 million of dedicated property tax resources through a General Obligation Bond. In conjunction with the IGA for Law Enforcement Services with the MCSO the City also leased the Community Police Facility to Multnomah County beginning in the coming Fiscal Year. The MCSO will operate the Patrol Division from the City facility resulting in increased police presence in the City. Net of landlord operational expense, \$175,000 of rental income was applied to the annual bond payments, and thereby reducing the necessary debt service levy upon City taxpayers.

City Hall Building – Addressing the structural and environmental safety issues of the City Hall building is the City's most pressing facility need. Beyond the several current structural issues, the facility lacks the necessary space for current and future needs. The current facility lacks adequate parking for citizens, contractors and staff, and adequate secure records storage space. The building was vacated with operations being distributed to several locations around the City. The City continues to review options for a longer term solution.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Troutdale for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 28th consecutive year that the City has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was a combined effort of the dedicated staff in the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We also acknowledge the efforts of other departments who provided information that helped to make the report far more than a presentation of financial statements.

In closing, we acknowledge the City Council of Troutdale for their continued support and leadership.

Respectfully Submitted,



Erich R. Mueller
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Troutdale
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

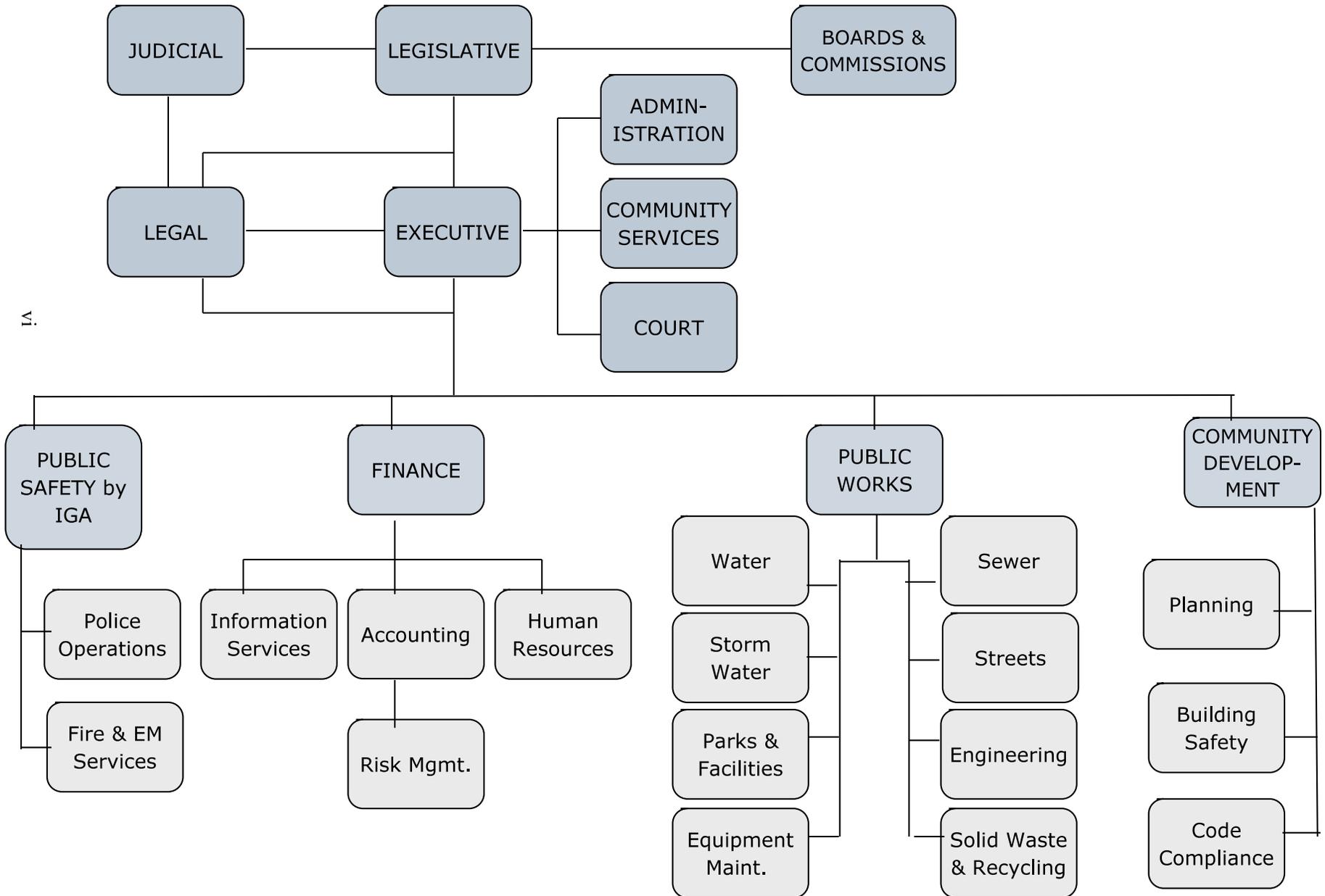
June 30, 2017

Christopher P. Morill

Executive Director/CEO

City of Troutdale

Organization Chart by Function



1A

City of Troutdale, Oregon

PRINCIPAL OFFICIALS AS OF JUNE 30, 2018

ELECTED OFFICIALS:

	<u>Term Expires</u>
MAYOR	
Casey Ryan	December 31, 2020
COUNCIL MEMBERS	
David Ripma	December 31, 2018
Randy Lauer	December 31, 2020
Larry Morgan	December 31, 2018
Glenn White	December 31, 2020
Rich Allen	December 31, 2018
Zach Hudson	December 31, 2020

APPOINTED OFFICIALS:

CITY MANAGER

Ray Young

FINANCE DIRECTOR

Erich Mueller

LEGAL COUNSEL

Ed Trompke

All may be reached at:

219 E. Historic Columbia River Hwy
Troutdale, OR 97060-2078
(503) 665-5175

**FINANCIAL
SECTION**



PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 21, 2018

To the Honorable Mayor and
Members of the City Council
City of Troutdale, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troutdale, as of June 30, 2018, and the respective changes in financial position and budgetary comparisons for the general fund and street fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The City adopted the provisions of GASB Statement No. 75 – Accounting and Financial Reporting for Other Post Employment Benefits Other Than Pensions for the year ended June 30, 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section, the statistical section, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 21, 2018, on our consideration of 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.

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative provides an overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. It focuses on the year's financial activities, significant changes in the City's financial position, budget changes and variances from the approved budget, as well as economic factors affecting the City. We encourage readers to consider the information presented here in conjunction with the additional information provided in the Letter of Transmittal and the Basic Financial Statements included in this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceed its liabilities at the close of the fiscal year by \$62.7 million (*net position*). Of this amount, \$8 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$6.9 million during the year. Due primarily from the delayed capital outlay, effective cost controls, and marginally higher than budgeted revenues, somewhat offset by increase in the deferred outflow of resources and decrease in outflow of resources for net pension liability.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$18.5 million, an increase of \$6.1 million due to reductions in budgeted expenditures. \$7.4 million of the ending fund balance is available to meet the City's ongoing obligations to citizens and creditors. (*unassigned fund balance*).
- At year-end, the unassigned fund balance for the General Fund, net of interfund loans to the URA, was \$5.7 million or 57% of total general fund expenditures during the year. The change in the ending fund balance for the General Fund is attributable to decreased planned capital outlay and reductions in budgeted expenditures.
- The City's capital assets net of depreciation decreased by \$0.1 million due to limited capital outlay, and routine depreciation and equipment disposals. Long-term debt increased by \$3.2 million through scheduled debt payments and new issue of Full Faith and Credit Obligations.

OVERVIEW OF FINANCIAL STATEMENTS

The City's annual financial report consists of several sections. Taken together they provide a comprehensive financial look at the City. The components of the report include the following:

- **Management's Discussion and Analysis (MD&A).** This section of the report provides financial highlights, overview and economic factors affecting the City. The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior years.
- **Basic Financial Statements.** This section consists of government-wide financial statements, fund financial statements and notes to the financial statements. The first several statements are highly condensed and present a government-wide view of the City's

finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities are principally supported by taxes and intergovernmental revenues while business-type activities recover all or a significant portion of their costs through user fees and charges. Governmental activities include basic services such as public safety, transportation, community development and general government. Business-type activities are water, sewer, storm sewer, and public services. The government-wide statements include the Statement of Net Position and the Statement of Activities.

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.
 - The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
 - Fund financial statements focus separately on major government funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds". Budgetary comparison statements are presented for the General Fund and the Street Fund (the sole major special revenue fund). Statements for the City's proprietary funds follow the governmental funds and include net assets, revenues, expenses and changes in fund net position, and cash flow.
 - The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.
- **Supplementary Information.** This section includes combining statements for non-major governmental funds and budgetary comparison schedules.
- Combining Statements. Major funds are included within the Basic Financial Statements, whereas non-major funds are presented here. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
 - Budgetary Comparisons. Budgetary information for all funds, except the General Fund and Street Fund, which are presented within the Basic Financial Statements, are presented here.
 - Capital Assets and Other Financial Schedules complete the Financial Section of the report.
- **Statistical Section.** Trend information and demographics.

- **Reports by Independent Certified Public Accountants.** Supplemental communication on city compliance and internal controls as required by Oregon statutes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

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. Table 1 provides a summary of net position at fiscal year-end and is a condensed version of the statement of net position.

Table 1
City of Troutdale, Oregon
Summary of Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Cash and investments	\$ 18.1	\$ 12.1	\$ 8.0	\$ 6.2	\$ 26.1	\$ 18.3
Other assets	1.3	1.0	0.7	0.7	2.0	1.7
Capital assets	20.1	18.0	31.5	31.4	51.6	49.4
Total assets	<u>39.5</u>	<u>31.1</u>	<u>40.2</u>	<u>38.3</u>	<u>79.7</u>	<u>69.4</u>
Deferred Outflow s of Resource	0.8	2.8	0.3	1.0	1.1	3.8
Other liabilities	0.6	6.9	1.1	3.6	1.7	10.5
Long-term debt outstanding	13.7	6.4	-	-	13.7	6.4
Total liabilities	<u>14.3</u>	<u>13.3</u>	<u>1.1</u>	<u>3.6</u>	<u>15.4</u>	<u>16.9</u>
Deferred Inflow s of Resources	2.0	0.4	0.7	0.2	2.7	0.6
Net Position:						
Net investment in capital assets	8.8	11.3	31.5	30.2	40.3	41.5
Restricted	11.0	7.7	3.3	2.1	14.3	9.8
Unrestricted	4.2	1.2	3.9	3.3	8.1	4.5
Total net position	<u>\$ 24.0</u>	<u>\$ 20.2</u>	<u>\$ 38.7</u>	<u>\$ 35.6</u>	<u>\$ 62.7</u>	<u>\$ 55.8</u>

The City's assets exceeded liabilities by \$62.7 million at the close of the fiscal year, a \$6.9 million increase from the prior year, primarily due to the \$5 million Full Faith and Credit Obligation and the delay in many capital projects and cautious budget expenditures. The majority of the City's net position reflect investment in capital assets (e.g., land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets. Net position invested in capital are non-liquid assets that cannot be used to meet current operating cash flow needs of the City. Investments include buildings and equipment used to provide city services and infrastructure benefiting the community, including roads, curbs and sidewalks, and water, sewer and waste water systems.

Restricted net position are subject to external restrictions on how they may be used. These restricted net position include system development charges (SDC) collected from developers to

pay the cost of infrastructure expansion as needed to meet the demands of population growth, and taxes and other collections limited to repayment of debt. The significant increase in construction activity has generated SDC fees increasing restricted net position.

The remainder of the net position, referred to as unrestricted, may be used to meet the ongoing obligations of the government to citizens and creditors.

Statement of Activities

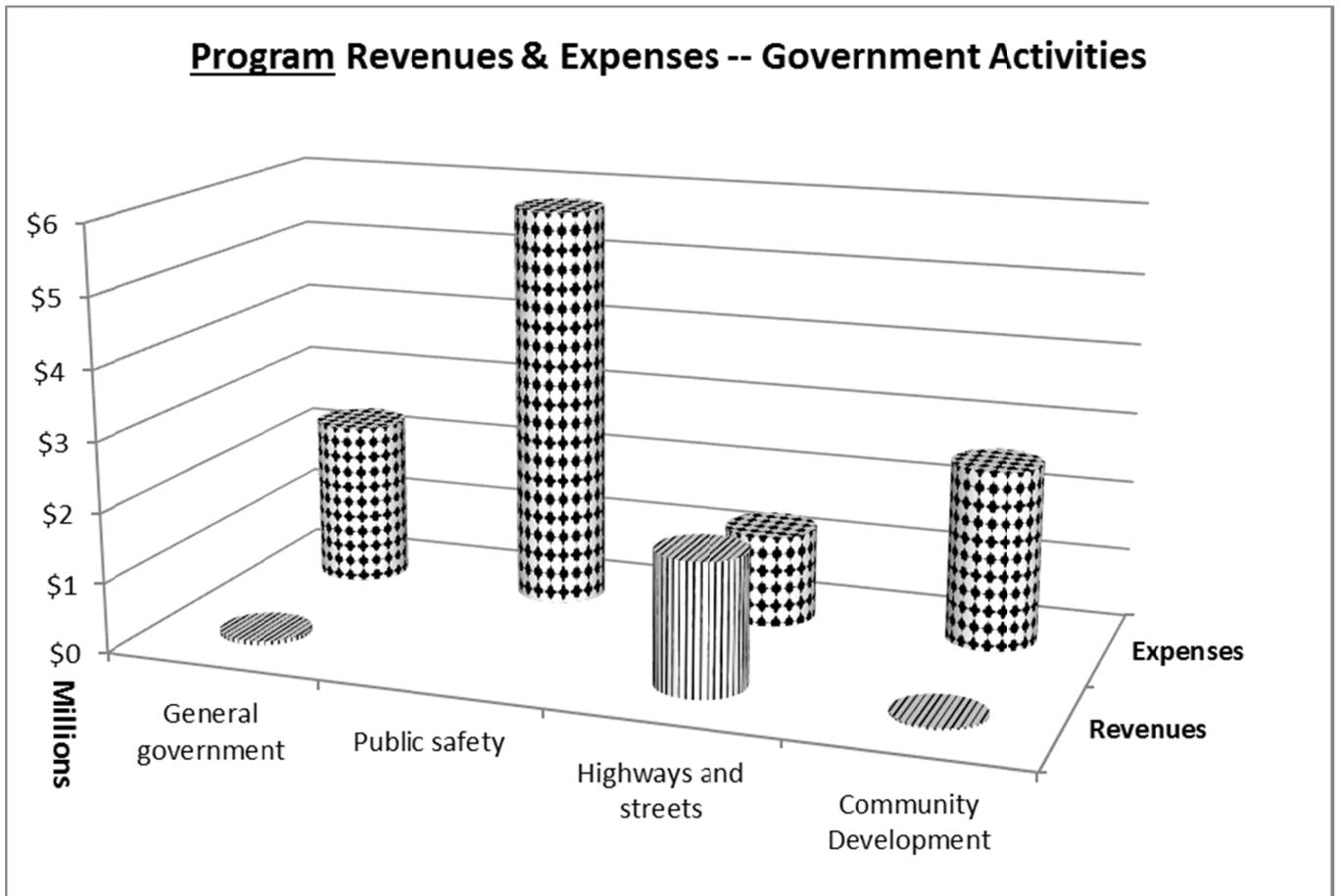
Table 2 provides a summary of the primary sources and uses and the resulting change in net position for the City. The information is condensed from the statement of activities.

Table 2
City of Troutdale, Oregon
Summary of Changes in Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 0.1	\$ 0.1	\$ 7.5	\$ 6.6	\$ 7.6	\$ 6.7
Operating grants and contributions	1.1	1.0	-	-	1.1	1.0
Capital grants and contributions	0.9	-	1.7	0.1	2.5	0.1
General revenues:						
Property taxes	5.4	5.2	1.1	1.3	6.5	6.5
Franchise and other taxes	4.8	3.7	-	-	4.8	3.7
Other receipts	4.0	4.1	0.1	0.1	4.1	4.2
Total revenues	<u>16.1</u>	<u>14.0</u>	<u>10.3</u>	<u>8.1</u>	<u>26.5</u>	<u>22.2</u>
Expenses:						
General government	2.3	2.4	-	-	2.3	2.4
Public safety	5.8	6.3	-	-	5.8	6.3
Highways and streets	1.3	1.2	-	-	1.3	1.2
Solid waste/recycling	0.0	0.0	-	-	0.0	0.0
Community development	2.6	2.6	-	-	2.6	2.6
Interest on long-term debt	0.0	0.0	-	-	0.0	0.0
Water	-	-	1.8	2.0	1.8	2.0
Sewer	-	-	3.4	3.3	3.4	3.3
Storm sewer	-	-	0.8	0.8	0.8	0.8
Public services	-	-	1.6	1.3	1.6	1.3
Total expenses	<u>12.0</u>	<u>12.4</u>	<u>7.6</u>	<u>7.4</u>	<u>19.7</u>	<u>19.8</u>
Increase (decrease) in net position						
position before Transfers	4.1	1.6	2.7	0.7	6.8	2.4
Transfers	(0.3)	(0.5)	0.3	0.5	0.0	-
Increase (decrease) in net position	3.8	1.1	3.0	1.2	6.8	2.4
Net position, beginning	20.2	19.1	35.6	34.4	55.8	53.5
Net position, ending	<u>\$ 24.0</u>	<u>\$ 20.2</u>	<u>\$ 38.6</u>	<u>\$ 35.6</u>	<u>\$ 62.6</u>	<u>\$ 55.9</u>

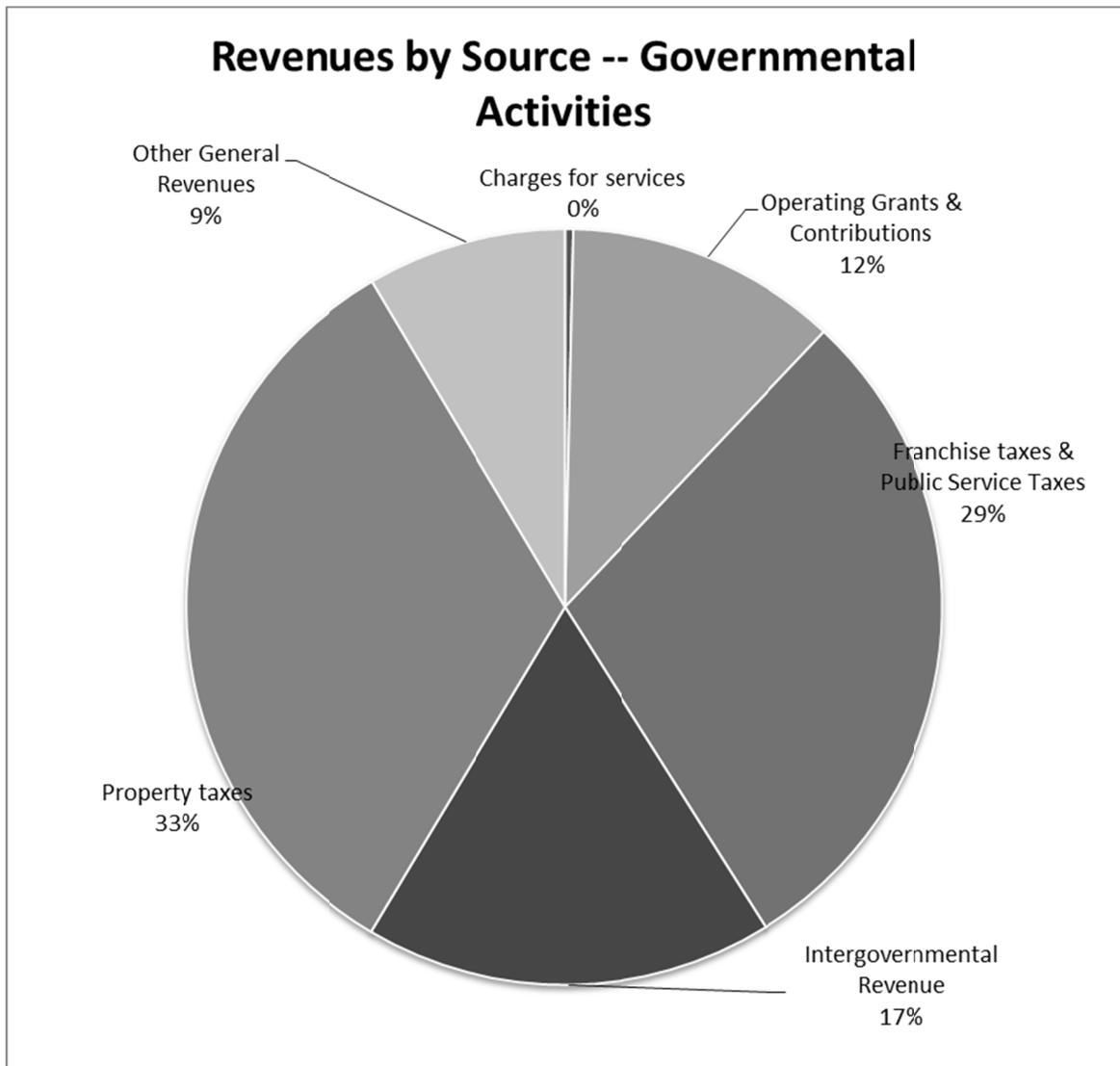
During the fiscal year, the City's total net position increased by \$6.8 million. Business Type activities increased \$3 million and the Governmental activities \$3.8 million increase.

The following graph shows the expenses of each governmental function compared to the program revenues generated specifically from its operations.



General government support services (administration, legal, human resources, financial, and computer information services) generate some revenues but are primarily funded from charges to the direct operating functions they support. The public safety function (police, fire and emergency services) generates program revenues as well, but property taxes and other General Fund revenues fund the majority of its costs. The highways and streets program is responsible for maintenance and construction of transportation systems, with funding provided by gas tax revenues. Community development services include building permit, planning and zoning, parks maintenance, and facilities maintenance functions. The building permit program covers total service costs with user permit fees. The planning and zoning and parks and facilities maintenance functions cover some program costs with user fees, but property taxes and other General Fund revenues fund the majority of their costs.

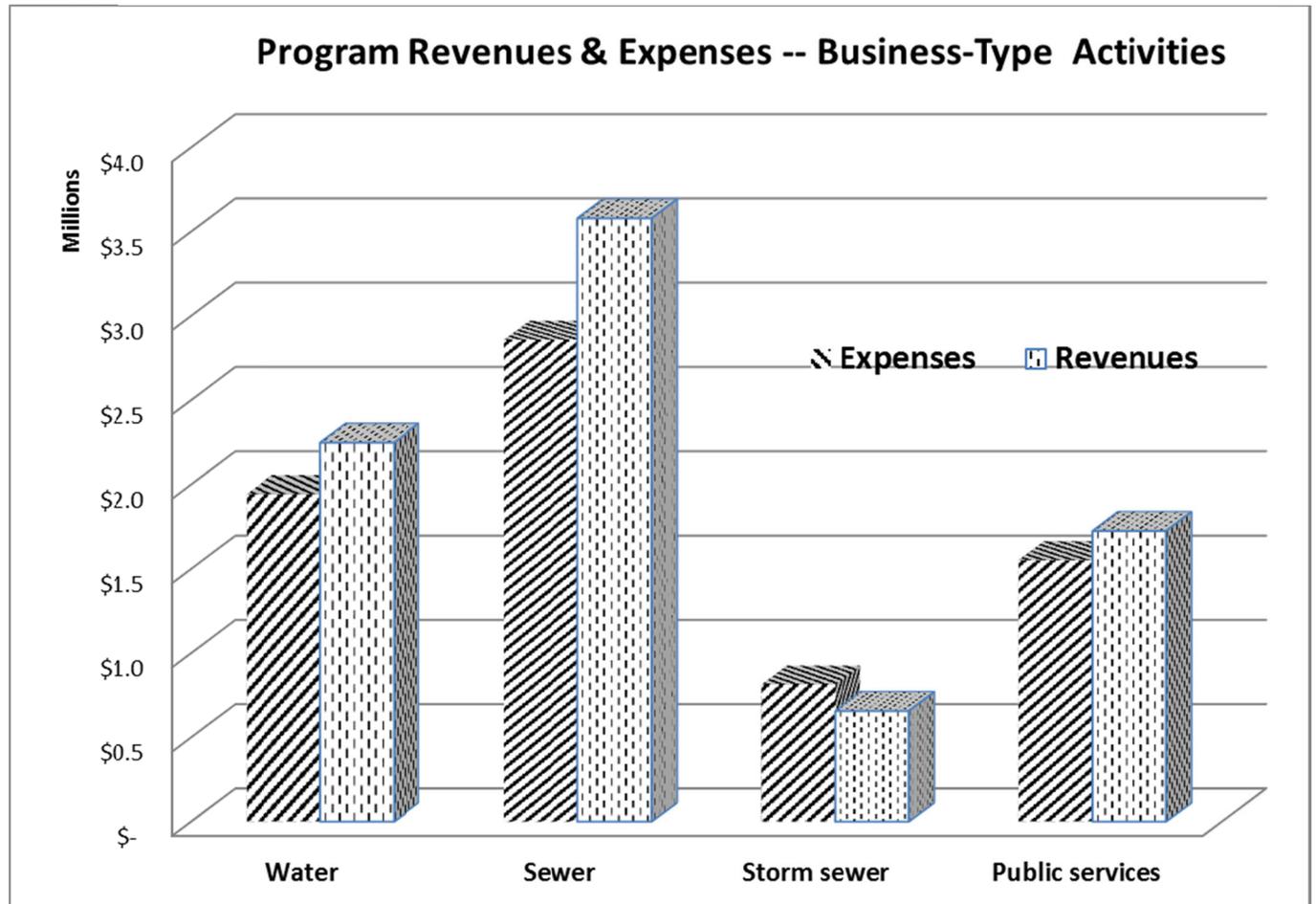
The graph below is a visual representation of the various sources of revenues used to support governmental activities.



Governmental revenues modestly increased from the prior year. The majority of governmental revenues (79%) include property taxes, franchise fees and intergovernmental revenues. Less than 1% of revenues are from user fees and charges for services, with 12% from operating and capital grants and 9% other revenues. The increase in governmental revenues from the continued economic recovery are reflected in County Business Income Tax receipts, State Shared Revenues, and both State and Local gas tax revenue increases over the prior year.

Governmental program expenses were generally level, and decreased by \$1.1 million compared to the prior year due to a delay in planned capital outlay. The increases in governmental expenses occurred with the annual cost of living adjustment and benefits costs attributable to Personnel expenses, and general cost inflation for Materials and Services.

Business-type activities resulted in a \$3 million increase to the City's total net position due primarily to schedule delays in capital projects and increased development revenues. The following graph shows the program revenues and expenses generated by each business-type function.

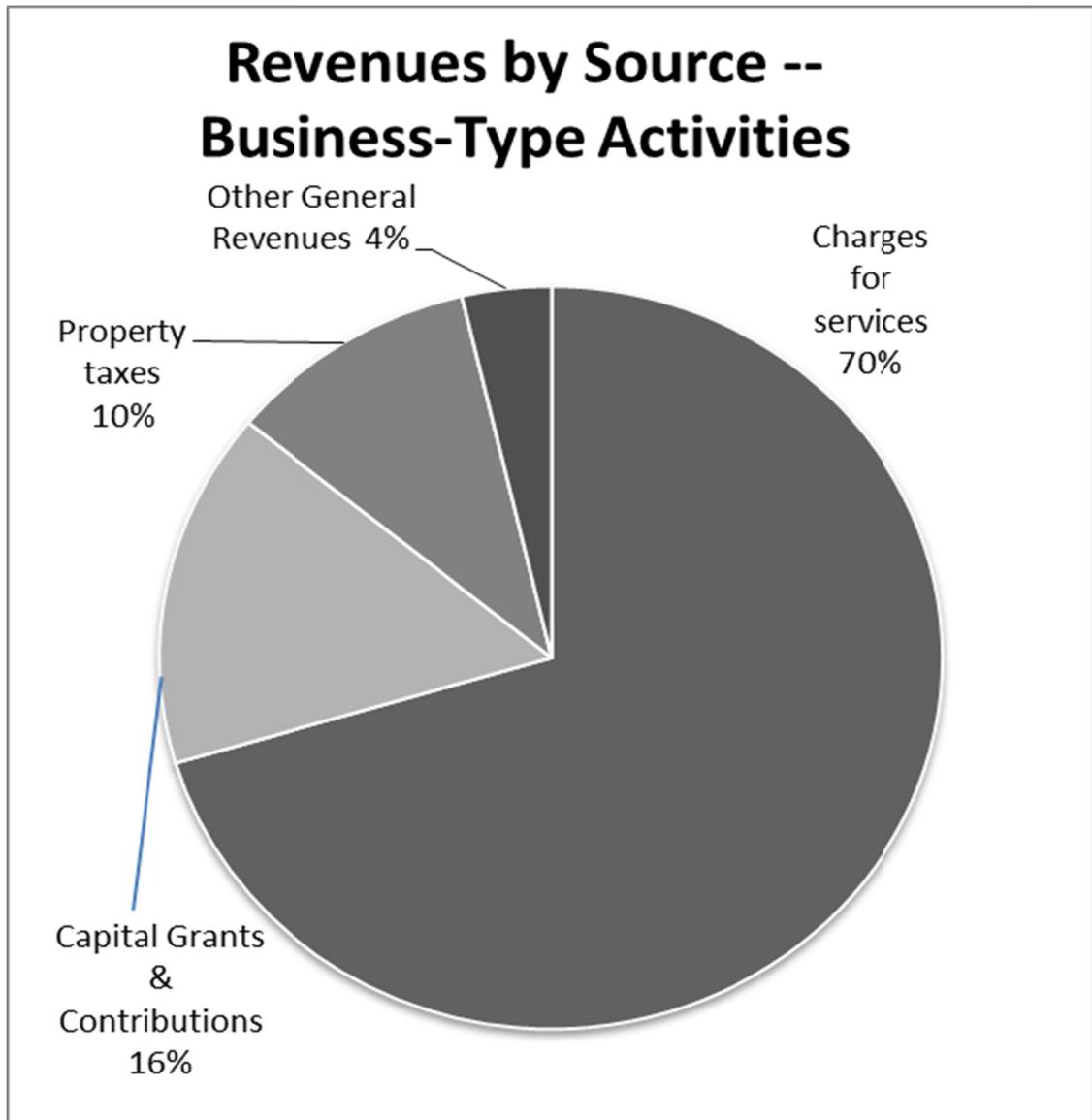


The primary source of revenue for the City operated water, sewer, and storm sewer utilities are customer user fees. Public services (Public Works management and equipment maintenance services) generate some revenues but are primarily funded from charges to the direct utility operating functions they support. Program revenues in excess of expenses represents the increase in net position as shown above.

Total revenues increased \$2.2 million over the prior year due to weather impact upon consumption levels, and the impact of a modest increase of the user rates for water, sewer and storm water systems, and property taxes. Utility systems development charges were significantly above the prior year. Charges collected for system development impact are used to pay the costs of infrastructure expansion as needed to meet the demands of population growth, including debt service on financed infrastructure construction. SDC fees of \$1.6 million resulting from increased overall development and from significant industrial site development including the new Amazon distribution center due to be completed in 2018. Additional significant increase in residential development in the City is in process for 2019.

City utility user fees for water, sewer and storm services increased by \$0.8 million or 17% compared to the prior year. This reflects the user rate increase and increased consumption from both economic and weather conditions, and final removal of the storm water rate cap.

The graph below is a visual representation of the various sources of revenues used to support business-type activities.



The majority of business-type activities revenues are generated from user fees and SDC fees from private developers.

Business-type program expenses increased by \$0.1 million compared to the prior year, primarily due to increased annual cost of living adjustment and benefits costs which were largely offset by decreases from staff turnover in Personnel costs, contract services, and repair and maintenance projects also delayed due to staff turnover in both the Water and Storm Sewer activities.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Fund balances totaled \$18.5 million at June 30, 2018. A summary of fund balances follows:

Table 3
City of Troutdale, Oregon
Fund Balances

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
General Fund	\$ 10,788,736	\$ 5,488,905	\$ 5,299,831
Street Fund	3,346,020	2,155,730	1,190,290
URA Dev Fund	(3,270,209)	(692,230)	(2,577,979)
Other Governmental	7,680,506	5,429,077	2,251,429
Total	<u>\$ 18,545,053</u>	<u>\$ 12,381,482</u>	<u>\$ 6,163,571</u>

The general fund balance increased due to Parks and Facilities Divisions capital project delays, and effective cost controls. The Street Fund deferred maintenance continued combined with construction weather delays, coupled with the increase in both State and Local gas tax revenues, resulted in the balance increase. The voters approved a staged local fuel tax which has brought significant additional revenue to the fund. The Urban Renewal Agency purchased real property and began site demolition and environmental remediation to prepare the property for division and resale for private redevelopment. Other Governmental funds increase reflects development building safety inspection fee revenue from significant construction during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary statement for the General Fund shows the original budget, final budget and actual revenues, expenditures and transfers in and out for the fiscal year. The City Council approved two supplemental budget resolutions for the transfer of General Fund contingency appropriations authority to various departments within the General Fund and to other funds. The changes are summarized as follows:

- \$5 million to both recognize and appropriate the new Full Faith and Credit (FF&C) Obligations debt proceeds, and to authorize an interfund loan of the proceeds to the Urban Renewal Agency.
- \$125,000 transfer to the debt service fund for the FF&C interest expense.

- A total of \$110,000 budget contingency transfers to various departments and divisions for increased labor costs, legal fees, and consulting services.

Actual revenues for the year were below budgeted amounts by \$255,000 due primarily to couple of budgeted but not obtained grants and loans. The beginning fund balance in the General Fund was \$684,000 million greater than budgeted.

On the expenditure side, operations for all departments were under budget by \$2 million. The major expenditure underspend was from deferred capital outlays, which when combined with controlled spending across all departments, accounted for the overall reduction. Factoring out contingency, budgeted expenditures came in 8.8% under budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the City had \$49.3 million (net of accumulated depreciation) invested in capital assets, as reflected in Table 4. More detailed information can be found in the notes to the financial statements.

Table 4
City of Troutdale, Oregon
Capital Assets
(Net of Depreciation)
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 3.5	\$ 3.5	\$ 1.6	\$ 1.8	\$ 5.1	\$ 5.2
Intangible assets	0.0	0.0	0.0	0.0	0.1	0.1
Buildings & improvements	7.7	7.8	1.4	1.3	9.1	9.2
Land improvements	1.3	1.3	0.0	0.1	1.3	1.4
Equipment	0.3	0.3	0.2	0.1	0.5	0.4
Infrastructure	4.7	4.4	28.2	28.2	32.9	32.6
Work in Progress	0.3	0.5	0.0	-	0.3	0.5
Total	<u>\$ 17.8</u>	<u>\$ 17.9</u>	<u>\$ 31.5</u>	<u>\$ 31.4</u>	<u>\$ 49.3</u>	<u>\$ 49.3</u>

Assets for governmental activities, excluding the \$2.4 million Urban Renewal Agency land acquisition, decreased by \$0.1 million resulting from the annual recorded depreciation and minor capital infrastructure dedications as shown above.

Assets for business-type activities increased by \$0.1 million net of depreciation resulting from the routine annual recorded depreciation, minor property disposal, and no significant developer constructed and donated public improvement projects.

Additional information on the City's capital assets can be found in the CAPITAL ASSETS section, pages 26-27, of the Notes to the Basic Financial Statements.

DEBT OUTSTANDING

Debt outstanding at year-end is summarized in Table 5. As of year-end, the City had \$10.9 million in bonds and notes outstanding. Of that amount, \$0.3 million is due within one year. Total long-term debt increased \$5 million from the newly issued Full Faith and Credit (FF&C) Obligations and decreased from \$1.8 million scheduled principal debt service payments, for a net increase of \$3.2 million. More detailed information can be found in the notes to the financial statements.

Table 5
City of Troutdale, Oregon
Outstanding Debt
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
C.O.P. Building Loan	\$ -	\$0.1	\$ -	\$ -	\$ -	\$ 0.1
General obligation bond WPCF	-	-	-	1.2	-	1.2
General obligation bond PD	5.9	6.4	-	-	5.9	6.4
Full Faith & Credit Obligations	5.0	-	-	-	5.0	-
Lease payable	-	-	-	-	-	-
Total	<u>\$10.9</u>	<u>\$6.5</u>	<u>\$ -</u>	<u>\$ 1.2</u>	<u>\$10.9</u>	<u>\$ 7.7</u>

Moody's Investors Service previously rated the City's general obligation bonds as Aa2. In 2018 Moody's Investors Service rated the City's full faith and credit obligations as Aa2. For more detailed information on the City's debt and amortization terms refer to the LONG-TERM DEBT section, pages 28-29 of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND RATES

- The State's property tax regulations set permanent rates and limited growth in existing property values to a maximum of three percent per year. The assessed values for new residential and commercial construction are also adjusted to reflect the growth limitations so they receive the same tax benefit as existing properties. Troutdale's permanent property tax rate is \$3.7652 per \$1,000 of tax-assessed value.
- For past few years the City had been experiencing an average 5.4% rate of growth in property taxes in the years since Fiscal Year 2013-2014 when the assessed value actually decreased 0.88% from the prior year. The prior reporting period property taxes increased 5.8% with the current reporting period increase of 4.6%. The longing seven year tax and appeals court process over the State of Oregon central assessment process for utilities and Comcast Cable recently concluded through a settlement. The

one-time adjustment will reduce the coming Fiscal Year 2018-2019 increase to 0.7% with approximately \$36,000 of property tax revenue increase over the prior year.

- The financial markets and credit crisis resulted in substantial declines in the PERS investment portfolio during 2008 of approximately 28% loss in asset value. Under current legislation, employer contribution rates are set every two years, changing July 1 of the odd numbered year. Employer rates for this reporting period were based on the system's valuation as of December 31, 2015, and reflect the changes from the Legislature's Special Session. The Special Legislative Session actions of 2013 which reduced employer costs were ruled unconstitutional by the State Supreme Court in April 2015. Substantially higher rates for most employers began July 1, 2017, and are expected to increase the City rates four rate points beginning July 1, 2019.
- The Street Fund financial forecast for many year indicated a declining fund balance even at a minimal preservation and maintenance level. To fund the department recommended maintenance cycle, and meet the City's goal of 100% good or better street rating in ten years, an additional \$430,000 is required annually. The City referred a local gas tax ballot measure to the voters, approved the measure. The new tax 3 year phase in was completed January 2018, with coming Fiscal Year 2018-2019 the first at the full rate. The new revenue has narrowed the funding gap for necessary street maintenance.
- The City entered into an Intergovernmental Agreement (IGA) with Multnomah County for the Multnomah County Sheriff's Office (MCSO) to provide law enforcement services in the City. This period was the third year of the new 10 year IGA and has saved the City an estimated \$2.1 million to date over the previous solo City operated department costs. Future annual cost escalation formula which includes an average of CPI and labor cost increases over the preceding year through the expiration.
- The American Federation of State, County and Municipal Employees (AFSCME) union collective bargaining agreement will be in the final year of the three year contract term. The AFSCME union contract provides a 3% cost of living adjustment (COLA) increase each year of the agreement.

Continuing to loom on the horizon is the growing disconnect between what the constrained property tax system in Oregon can provide, and the expected level of government services. With labor, health care, pension, and energy costs all increasing at higher than the maximum 3% annual assessed value increase, property taxes cannot sustain government service at the current levels.

Additional information about the operating issues discussed above can be found in the Letter of Transmittal under the heading, "Economic Condition and Outlook".

REQUESTS FOR INFORMATION

The City's financial statements are designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about the report or need additional financial information, please contact the City's Finance Director at City Hall, 219 E. Historic Columbia River Hwy, Troutdale, Oregon 97060-2078.

**BASIC
FINANCIAL STATEMENTS**

CITY OF TROUTDALE, OREGON

Statement of Net Position

June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 10,539,243	\$ 4,688,945	\$ 15,228,188
Accounts receivable, net	859,023	603,863	1,462,886
Property taxes receivable	295,496	74,973	370,469
Prepaid expenses	8,075	-	8,075
Inventories	14,366	44,446	58,812
Restricted cash and investments	7,566,461	3,288,474	10,854,935
Capital assets:			
Nondepreciable	6,168,571	1,691,261	7,859,832
Depreciable, net	14,012,425	29,845,672	43,858,097
Total assets	<u>39,463,660</u>	<u>40,237,634</u>	<u>79,701,294</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferral	792,581	293,146	1,085,727
OPEB related deferral	14,479	-	14,479
Total deferred outflows of resources	<u>807,060</u>	<u>293,146</u>	<u>1,100,206</u>
LIABILITIES			
Accounts payable	300,768	289,311	590,079
Accrued payroll	158,797	-	158,797
Deposits	5,750	10,886	16,636
Interest payable	34,578	-	34,578
Unearned revenue	3,500	-	3,500
Noncurrent liabilities:			
<i>Due within one year</i>			
Current portion of long-term debt	307,259	-	307,259
Accrued compensated absences - current	30,677	14,361	45,038
<i>Due in more than one year</i>			
Net Pension liability	1,987,751	735,195	2,722,946
Total OPEB liability	207,616	-	207,616
Accrued compensated absences - long term	122,710	57,443	180,153
Noncurrent portion of long-term debt	11,106,551	-	11,106,551
Total liabilities	<u>14,265,957</u>	<u>1,107,196</u>	<u>15,373,153</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferral	1,964,862	726,730	2,691,592
OPEB related deferral	9,392	-	9,392
Total deferred inflows of resources	<u>1,974,254</u>	<u>726,730</u>	<u>2,700,984</u>
NET POSITION			
Net investment in capital assets	8,767,186	31,536,933	40,304,119
Restricted			
Capital Projects	9,935,370	3,288,474	13,223,844
Debt Service	1,156,042	-	1,156,042
Unrestricted	4,171,911	3,871,447	8,043,358
Total net position	<u>\$ 24,030,509</u>	<u>\$ 38,696,854</u>	<u>\$ 62,727,363</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 2,344,521	\$ 57,058	\$ -	\$ -	\$ (2,287,463)	\$ -	\$ (2,287,463)
Public safety	5,767,448	-	-	-	(5,767,448)	-	(5,767,448)
Highway and Streets	1,319,285	-	1,051,943	840,435	573,093	-	573,093
Solid waste/recycling	14,408	-	-	-	(14,408)	-	(14,408)
Community development	2,565,323	-	-	25,000	(2,540,323)	-	(2,540,323)
Interest on long-term debt	37,488	-	-	-	(37,488)	-	(37,488)
Total governmental activities	<u>12,048,473</u>	<u>57,058</u>	<u>1,051,943</u>	<u>865,435</u>	<u>(10,074,037)</u>	<u>-</u>	<u>(10,074,037)</u>
Business-type activities:							
Water	1,837,104	2,105,320	-	83,259	-	351,475	351,475
Sewer	3,446,285	3,087,338	-	512,880	-	153,933	153,933
Storm sewer	813,068	618,967	-	1,058,359	-	864,258	864,258
Public services	1,552,103	1,714,483	-	-	-	162,380	162,380
Total business type activities	<u>7,648,560</u>	<u>7,526,108</u>	<u>-</u>	<u>1,654,498</u>	<u>-</u>	<u>1,532,046</u>	<u>1,532,046</u>
Total government	<u>\$ 19,697,033</u>	<u>\$ 7,583,166</u>	<u>\$ 1,051,943</u>	<u>\$ 2,519,933</u>	<u>(10,074,037)</u>	<u>1,532,046</u>	<u>(8,541,991)</u>
General revenues:							
Taxes							
Property taxes					5,417,849	1,115,233	6,533,082
Franchise taxes					1,397,703	-	1,397,703
Public service taxes					3,378,081	-	3,378,081
Interest and investment earnings					258,228	142,071	400,299
Other revenues					4,003,205	(91,408)	3,911,797
Transfers					(340,000)	340,000	-
Total general revenues and transfers					<u>14,115,066</u>	<u>1,505,896</u>	<u>15,620,962</u>
Change in net position					4,041,029	3,037,942	7,078,971
Net position - beginning - restated					19,989,480	35,658,912	55,648,392
Net position - ending					<u>\$ 24,030,509</u>	<u>\$ 38,696,854</u>	<u>\$ 62,727,363</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Major Governmental Funds

General Fund

This fund accounts for the financial operations of the City which are not accounted for in any other fund. Principal sources of revenues are property taxes, state shared revenues, franchise fees and recovered expenditures. Primary expenditures in the general fund are made for police protection, community development, and general development.

Street Fund

This fund accounts for revenues from gasoline tax apportionments from the State of Oregon that are used for the repair and maintenance associated with streets.

URA Riverfront Development Fund

This fund accounts for the operations of the urban renewal agency. Primary resources are property taxes.

CITY OF TROUTDALE, OREGON
Governmental Funds
Balance Sheet
June 30, 2018

	General Fund	Street Fund	URA Riverfront Development	Other Governmental	Total Governmental
ASSETS					
Cash and investments	\$ 5,402,790	\$ 3,090,701	\$ 3,017,799	\$ 6,594,414	\$ 18,105,704
Accounts receivable	553,539	273,961	-	31,523	859,023
Property taxes receivable	288,068	-	-	7,428	295,496
Prepaid items	8,075	-	-	-	8,075
Interfund loan	5,200,000	-	-	167,500	5,367,500
Inventory	608	13,758	-	-	14,366
Due from	-	-	-	1,068,685	1,068,685
Total assets	\$ 11,453,080	\$ 3,378,420	\$ 3,017,799	\$ 7,869,550	\$ 25,718,849
LIABILITIES					
Accounts payable	\$ 183,963	\$ 32,400	\$ 19,323	\$ 65,082	\$ 300,768
Payroll liabilities	158,797	-	-	-	158,797
Deposits	1,000	-	-	4,750	5,750
Unearned Revenue	3,500	-	-	-	3,500
Interfund loan	55,000	-	5,200,000	112,500	5,367,500
Due to	-	-	1,068,685	-	1,068,685
Total liabilities	402,260	32,400	6,288,008	182,332	6,905,000
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Taxes	262,084	-	-	6,712	268,796
FUND BALANCES					
Nonspendable	8,683	13,758	-	-	22,441
Restricted	-	3,332,262	-	7,759,150	11,091,412
Unassigned	10,780,053	-	(3,270,209)	(78,644)	7,431,200
Total fund balances	10,788,736	3,346,020	(3,270,209)	7,680,506	18,545,053
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,453,080	\$ 3,378,420	\$ 3,017,799	\$ 7,869,550	\$ 25,718,849
Amounts reported for governmental activities in the Statement of Net Position are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds					20,180,996
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:					
Property taxes earned but unavailable					268,796
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.					(153,387)
The net pension liability and the total OPEB liability and deferred inflows and outflows related to the net pension asset is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries					
Net pension liability					(1,987,751)
Deferred inflows and deferred outflows					(1,172,281)
Total OPEB liability					(207,616)
Deferred inflows and deferred outflows					5,087
All long term liabilities are reported in the Statement of Net Position whereas in governmental funds, long term liabilities are not due and payable in the current period and are not reported					
Interest payable					(34,578)
Bond payable					(11,175,000)
Capital lease payable					(5,758)
Post-closure cost care					(207,471)
Bond premium					(25,581)
Net Position of Governmental Activities					\$ 24,030,509

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	General Fund	Street Fund	URA Riverfront Development	Other Governmental	Total Governmental
REVENUES					
Intergovernmental	\$ 1,714,744	\$ 1,041,588	\$ 3,061	\$ 107,917	\$ 2,867,310
Charges for services	9,143	-	-	865,435	874,578
Property taxes	5,313,435	-	-	158,721	5,472,156
Franchise	1,202,886	-	-	194,817	1,397,703
Licenses and permits	47,915	-	-	1,694,986	1,742,901
Fines and forfeitures	235,011	-	-	-	235,011
Interest	103,466	40,698	17,597	96,467	258,228
Miscellaneous	1,603,664	385,004	-	12,074	2,000,742
Hotel/motel transient tax	724,912	-	-	-	724,912
Fuel tax	-	836,214	-	-	836,214
Solid waste tax	74,054	-	-	-	74,054
Total revenues	<u>11,029,230</u>	<u>2,303,504</u>	<u>20,658</u>	<u>3,130,417</u>	<u>16,483,809</u>
EXPENDITURES					
Current:					
General government	2,542,026	-	-	-	2,542,026
Public safety	5,552,528	-	-	-	5,552,528
Highway and Streets	-	1,001,291	-	-	1,001,291
Solid waste/recycling	14,297	-	-	-	14,297
Community development	1,531,366	-	191,830	651,340	2,374,536
Capital outlay	493,058	111,923	2,406,807	300,442	3,312,230
Debt service:					
Principal	-	-	-	141,518	141,518
Interest	-	-	-	41,812	41,812
Total expenditures	<u>10,133,275</u>	<u>1,113,214</u>	<u>2,598,637</u>	<u>1,135,112</u>	<u>14,980,238</u>
Excess (deficiency) of revenues over (under) expenditures	895,955	1,190,290	(2,577,979)	1,995,305	1,503,571
OTHER FINANCING SOURCES (USES)					
Transfers in	876	-	-	257,000	257,876
Transfers out	(597,000)	-	-	(876)	(597,876)
Issuance of debt	5,000,000	-	-	-	5,000,000
Total other financing sources (uses)	<u>4,403,876</u>	<u>-</u>	<u>-</u>	<u>256,124</u>	<u>4,660,000</u>
Net change in fund balance	5,299,831	1,190,290	(2,577,979)	2,251,429	6,163,571
FUND BALANCES, BEGINNING	<u>5,488,905</u>	<u>2,155,730</u>	<u>(692,230)</u>	<u>5,429,077</u>	<u>12,381,482</u>
FUND BALANCES, ENDING	<u>\$ 10,788,736</u>	<u>\$ 3,346,020</u>	<u>\$ (3,270,209)</u>	<u>\$ 7,680,506</u>	<u>\$ 18,545,053</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2018

Net change in fund balances - total governmental funds \$ 6,163,571

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital asset additions	\$ 2,960,015	
Loss on disposal	(905)	
Less current year depreciation	<u>(722,173)</u>	2,236,937

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds

Property taxes	(54,307)
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Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. The repayment of the principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceeds exceeded repayments.

Principal payments	403,000	
Bond premium amort	3,283	
Bond discount	17,100	
Landfill post-closure cost care	11,250	
Debt issuance proceeds	(5,000,000)	
Capital lease payments	<u>10,194</u>	(4,555,173)

The pension expense and the changes in deferred inflows and outflows related to the net pension liability represents the changes in net pension liability from year to year due to changes in total pension liability and the fair value of pension plan net position to pay pension benefits.

272,411

The OPEB expense and the changes in deferred inflows and outflows related to the total OPEB liability represents the changes in the total OPEB liability from year to year due to changes in total pension liability and the fair value of the OPEB plan net position to pay pension benefits.

14,868

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	(24,502)	
Accrued interest expense	<u>(12,776)</u>	<u>(37,278)</u>

Change in net position of governmental activities	<u>\$ 4,041,029</u>
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The notes to the financial statements are an integral part of this statement.

**CITY OF TROUTDALE, OREGON
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes				
Current year	\$ 5,083,326	\$ 5,083,326	\$ 5,238,635	\$ 155,309
Prior year	76,446	76,446	66,072	(10,374)
Penalties and interest	-	-	8,728	8,728
Intergovernmental	1,893,638	1,893,638	1,714,744	(178,894)
Charges for services	128,500	128,500	9,143	(119,357)
Franchise	1,212,385	1,212,385	1,202,886	(9,499)
Licenses and permits	42,770	42,770	47,915	5,145
Fines and forfeitures	100,000	100,000	235,011	135,011
Interest	271,543	271,543	103,466	(168,077)
Miscellaneous	357,500	357,500	1,603,664	1,246,164
Hotel/motel transient tax	714,136	714,136	724,912	10,776
Solid waste tax	-	-	74,054	74,054
	<u>9,880,244</u>	<u>9,880,244</u>	<u>11,029,230</u>	<u>1,148,986</u>
Total revenues				
EXPENDITURES:				
Current:				
Legislative	36,092	36,092	14,757	21,335
Judicial	114,992	114,992	93,443	21,549
Legal	282,833	282,833	111,385	171,448
General Government	953,505	953,505	833,011	120,494
Administration	694,036	714,036	633,812	80,224
Community Services	138,883	138,883	113,702	25,181
Information Services	260,760	270,760	248,093	22,667
Finance	588,295	588,295	563,142	25,153
Police Operations	3,504,489	3,504,489	3,400,446	104,043
Solid Waste/Recycling	19,227	19,227	14,297	4,930
Fire Protection Services	2,152,082	2,152,082	2,152,082	-
Public Safety Building Operations	119,007	149,007	129,761	19,246
Planning	371,549	421,549	412,222	9,327
Parks and Greenways	1,607,332	1,607,332	918,934	688,398
Facilities	718,725	718,725	494,188	224,537
Contingency	750,000	515,000	-	515,000
	<u>12,311,807</u>	<u>12,186,807</u>	<u>10,133,275</u>	<u>2,053,532</u>
Total expenditures				
Revenues over (under) expenditures	(2,431,563)	(2,306,563)	895,955	3,202,518
OTHER FINANCING SOURCES (USES):				
Loan Proceeds	-	5,000,000	5,000,000	-
Transfers in	1,404,543	1,404,543	876	(1,403,667)
Transfers out	(498,000)	(5,623,000)	(5,623,000)	-
	<u>906,543</u>	<u>781,543</u>	<u>(622,124)</u>	<u>(1,403,667)</u>
Total other financing sources (uses)				
Net changes in fund balances	(1,525,020)	(1,525,020)	273,831	1,798,851
FUND BALANCE, BEGINNING	<u>4,686,283</u>	<u>4,686,283</u>	<u>5,369,905</u>	<u>683,622</u>
FUND BALANCE, ENDING	<u>\$ 3,161,263</u>	<u>\$ 3,161,263</u>	<u>\$ 5,643,736</u>	<u>\$ 2,482,473</u>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	5,145,000
			GAAP Fund Balance	<u>\$ 10,788,736</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
STREET FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 940,075	\$ 940,075	\$ 1,041,588	\$ 101,513
Charges for services	300	300	-	(300)
Fuel Tax	360,000	360,000	836,214	476,214
Interest	5,000	5,000	40,698	35,698
Miscellaneous	5,000,700	5,000,700	385,004	(4,615,696)
 Total revenues	 <u>6,306,075</u>	 <u>6,306,075</u>	 <u>2,303,504</u>	 <u>(4,002,571)</u>
EXPENDITURES:				
Personnel services	173,169	173,169	157,516	15,653
Materials and services	1,306,100	1,306,100	843,775	462,325
Capital outlay	5,327,900	5,327,900	111,923	5,215,977
Contingency	500,000	500,000	-	500,000
 Total expenditures	 <u>7,307,169</u>	 <u>7,307,169</u>	 <u>1,113,214</u>	 <u>6,193,955</u>
 Net changes in fund balances	 (1,001,094)	 (1,001,094)	 1,190,290	 2,191,384
 FUND BALANCES, BEGINNING	 <u>1,489,865</u>	 <u>1,489,865</u>	 <u>2,155,730</u>	 <u>665,865</u>
 FUND BALANCES, ENDING	 <u>\$ 488,771</u>	 <u>\$ 488,771</u>	 <u>\$ 3,346,020</u>	 <u>\$ 2,857,249</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Proprietary Funds

The City of Troutdale utilizes four Proprietary Funds. These funds are used to account for acquisition, operation, and maintenance of the water, sewer, and storm sewer facilities and the cost of public works management and operating automotive and other equipment used by public works. These funds are entirely or predominantly self-supported through user charges to customer. Funds included are:

Water

Sewer

Storm Sewer

Public Services

For budgetary purposes (see budget schedules in the Supplemental Information section), the Water, Sewer, and Storm Sewer funds are accounted in the following separate funds:

Water

Water Fund

Water Improvement Fund

Sewer

Sewer Fund

Debt Service Fund (business-type activity portion)

Sewer Improvement Fund

Storm Sewer

Storm Sewer Improvement Fund

Storm Sewer Utility Fund

For generally accepted accounting principles purposes, these aforementioned funds and the Public Services Fund are consolidated and included as four Enterprise Funds.

CITY OF TROUTDALE, OREGON
Proprietary Funds
Statement of Net Position
June 30, 2018

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Sewer</u>	<u>Public Services</u>	<u>Totals</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,210,321	\$ 2,676,878	\$ 143,641	\$ 658,105	\$ 4,688,945
Accounts receivables, net	228,222	315,032	60,609	-	603,863
Inventories	44,446	-	-	-	44,446
Property taxes receivable	-	74,973	-	-	74,973
Total current assets	<u>1,482,989</u>	<u>3,066,883</u>	<u>204,250</u>	<u>658,105</u>	<u>5,412,227</u>
Noncurrent assets:					
Restricted cash and cash equivalents	146,330	756,717	2,385,427	-	3,288,474
Capital assets not being depreciated	237,890	1,450,300	3,071	-	1,691,261
Capital assets being depreciated, net	7,788,502	16,858,902	5,198,268	-	29,845,672
Total noncurrent assets	<u>8,172,722</u>	<u>19,065,919</u>	<u>7,586,766</u>	<u>-</u>	<u>34,825,407</u>
Total assets	<u>9,655,711</u>	<u>22,132,802</u>	<u>7,791,016</u>	<u>658,105</u>	<u>40,237,634</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferral	119,430	119,430	54,286	-	293,146
LIABILITIES					
Current liabilities:					
Accounts payable	229,433	26,081	7,296	26,501	289,311
Accrued compensated absences - current	3,961	6,988	3,412	-	14,361
Deposits	10,886	-	-	-	10,886
Total current liabilities	<u>244,280</u>	<u>33,069</u>	<u>10,708</u>	<u>26,501</u>	<u>314,558</u>
Noncurrent liabilities:					
Net pension liability	299,524	299,524	136,147	-	735,195
Accrued compensated absences	15,843	27,951	13,649	-	57,443
Total liabilities	<u>559,647</u>	<u>360,544</u>	<u>160,504</u>	<u>26,501</u>	<u>1,107,196</u>
DEFERRED INFLOWS OF RESOURCES					
Net deferred pension asset	296,075	296,075	134,580	-	726,730
NET POSITION					
Net investment in capital assets	8,026,392	18,309,202	5,201,339	-	31,536,933
Restricted for infrastructure expansion	146,330	756,717	2,385,427	-	3,288,474
Unrestricted	746,697	2,529,694	(36,548)	631,604	3,871,447
Total net position	<u>\$ 8,919,419</u>	<u>\$ 21,595,613</u>	<u>\$ 7,550,218</u>	<u>\$ 631,604</u>	<u>\$ 38,696,854</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2018

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Sewer</u>	<u>Public Services</u>	<u>Totals</u>
OPERATING REVENUES					
Charges for services	\$ 2,105,320	\$ 3,087,338	\$ 618,967	\$ 1,662,625	\$ 7,474,250
Licenses & permits	-	-	-	51,858	51,858
Total operating revenues	<u>2,105,320</u>	<u>3,087,338</u>	<u>618,967</u>	<u>1,714,483</u>	<u>7,526,108</u>
OPERATING EXPENSES					
Personal services	352,394	468,194	153,962	969,101	1,943,651
Depreciation	429,847	584,722	260,136	-	1,274,705
Contractual services	179,675	153,212	324,316	186,557	843,760
Utilities	445,329	582,115	1,300	43,196	1,071,940
Repairs and maintenance	223,437	390,324	42,147	39,389	695,297
Other operating expenses	312,812	679,646	31,207	313,860	1,337,525
Total operating expenses	<u>1,943,494</u>	<u>2,858,213</u>	<u>813,068</u>	<u>1,552,103</u>	<u>7,166,878</u>
Operating income (loss)	<u>161,826</u>	<u>229,125</u>	<u>(194,101)</u>	<u>162,380</u>	<u>359,230</u>
NONOPERATING REVENUES (EXPENSES)					
Investment revenue	33,375	59,279	38,215	11,202	142,071
Interest expense	-	(588,072)	-	-	(588,072)
Miscellaneous	2,907	(94,326)	-	11	(91,408)
Intergovernmental	106,390	-	-	-	106,390
Property taxes	-	1,115,233	-	-	1,115,233
Total nonoperating revenues (expenses)	<u>142,672</u>	<u>492,114</u>	<u>38,215</u>	<u>11,213</u>	<u>684,214</u>
Income (loss) before contributions and transfers	304,498	721,239	(155,886)	173,593	1,043,444
Capital Contributions	83,259	512,880	1,058,359	-	1,654,498
Transfers In	-	534,632	165,000	-	699,632
Transfers Out	-	(359,632)	-	-	(359,632)
Total	<u>83,259</u>	<u>687,880</u>	<u>1,223,359</u>	<u>-</u>	<u>1,994,498</u>
Increase (decrease) in net position	387,757	1,409,119	1,067,473	173,593	3,037,942
Net position - beginning	<u>8,531,662</u>	<u>20,186,494</u>	<u>6,482,745</u>	<u>458,011</u>	<u>35,658,912</u>
Net position - ending	<u>\$ 8,919,419</u>	<u>\$ 21,595,613</u>	<u>\$ 7,550,218</u>	<u>\$ 631,604</u>	<u>\$ 38,696,854</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Storm Sewer	Public Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 2,082,092	\$ 3,096,957	\$ 598,809	\$ 1,714,483	\$ 7,492,341
Payments to employees	(389,344)	(511,887)	(167,987)	(969,101)	(2,038,319)
Payments to suppliers	(981,712)	(1,802,157)	(412,692)	(575,499)	(3,772,060)
Net cash provided (used) by operating activities	<u>711,036</u>	<u>782,913</u>	<u>18,130</u>	<u>169,883</u>	<u>1,681,962</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contribution	83,259	512,880	1,058,359	-	1,654,498
Purchases of capital assets	(620,268)	47,445	(803,562)	-	(1,376,385)
Property taxes	-	1,115,233	-	-	1,115,233
Principal paid on capital debt	-	(1,220,853)	-	-	(1,220,853)
Interest paid on capital debt	-	(592,132)	-	-	(592,132)
Intergovernmental	109,297	(94,326)	-	-	14,971
Net cash provided (used) by capital and related financing activities	<u>(427,712)</u>	<u>(231,753)</u>	<u>254,797</u>	<u>-</u>	<u>(404,668)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers	-	175,000	165,000	-	340,000
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	33,375	59,279	38,215	11,213	142,082
Net increase in cash and cash equivalents	316,699	785,439	476,142	181,096	1,759,376
Balances - beginning of the year	1,039,952	2,648,156	2,052,926	477,009	6,218,043
Balances - end of the year	<u>\$ 1,356,651</u>	<u>\$ 3,433,595</u>	<u>\$ 2,529,068</u>	<u>\$ 658,105</u>	<u>\$ 7,977,419</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income	\$ 161,826	\$ 229,125	\$ (194,101)	\$ 162,380	\$ 359,230
Adjustments to reconcile operating income to net cash provided by operating activities:					
Cash flows reported in other categories:					
Depreciation expense	429,847	584,722	260,136	-	1,274,705
Change in assets and liabilities:					
Accounts receivable	(32,228)	9,619	(20,158)	-	(42,767)
Inventories	4,197	-	-	-	4,197
Accounts payable	175,344	3,140	(13,722)	7,503	172,265
Accrued compensated absences	4,099	(2,644)	4,633	-	6,088
Pension related accounts	(41,049)	(41,049)	(18,658)	-	(100,756)
Deposits	9,000	-	-	-	9,000
Net cash provided by operating activities	<u>\$ 711,036</u>	<u>\$ 782,913</u>	<u>\$ 18,130</u>	<u>\$ 169,883</u>	<u>\$ 1,681,962</u>

The notes to the financial statements are an integral part of this statement.

**NOTES TO
BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements.

REPORTING ENTITY

The City of Troutdale, Oregon is a municipal corporation, incorporated on October 2, 1907. The City operates under a Council-Manager form of government as amended by the voters in 2010. The governing body consists of six elected council members and a mayor. The mayor and council members are each elected to serve a four-year term. All are part-time elected officials who exercise the legislative powers of the City and determine matters of policy. The City Manager, a full-time appointed official, administers policies and coordinates the activities of the City. The heads of the various departments, formed to provide services, are under the direct supervision of the City Manager.

Accounting principles generally accepted in the United States of America require that these financial statements present the City of Troutdale (the primary government) and all component units, if any. Component units, as established by the Government Accounting Standards Board (GASB) Statement No. 14, 39, 61, are separate organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The Urban Renewal Agency (Agency) of the City of Troutdale was created by City Council Ordinance pursuant to Oregon Revised Statute (ORS) 457.035 in January of 2006. The Troutdale Riverfront Renewal Plan (Plan) obtained voter approval in May 2006, and the Plan was assigned to the Agency to implement. The Agency is a legally separate entity which is governed by a board comprised of the members of the City Council as stipulated by the Agency's bylaws, and operational management of the Agency's activities is performed by City Management. The City Council has the ability to impose its will on the Agency as determined on the basis of budget adoption, taxation authority, and funding for the Agency. The Plan duration was originally approved for 10 years, which was extended an additional 10 years, with the up to a total of \$7 million in principal indebtedness limit unchanged. The Agency is presented as a blended component unit within the governmental funds.

BASIC FINANCIAL STATEMENTS

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

Government-wide financial statements display information about the reporting government as a whole. These statements focus on the sustainability 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 and the Statement of Activities.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

The *Statement of Net Position* presents information on all of the assets and liabilities, with the difference between the two reported as *net position*.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment is 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, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and detailed in the supplementary information.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the business-type activities/enterprise funds and the General Fund. Charges are allocated as reimbursement for services provided by the General Fund in support of those functions based on levels or service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

Basis of Presentation

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

There are stated minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements titled "Other Governmental" and detailed in the combining section.

There are the following major governmental funds:

- *General Fund*
This is the primary operating fund. It accounts for all financial operations, except those required to be accounted for in another fund. Principal sources of revenues are property taxes, licenses and permits, state and county shared revenues, franchise fees and charges for administrative services from other funds. Primary expenditures in the general fund are made for public safety (police and fire), community development, and general government.
- *Street Fund*
This fund accounts for the State of Oregon gasoline taxes. The state gasoline taxes are restricted for expenditures under Article XI, Section 3 of the Oregon Constitution for construction, maintenance and repair of streets, roads and bike and foot paths.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

- *URA Riverfront Development Fund*
This fund accounts for the general operations of the urban renewal agency. Primary resources are property taxes.

Additionally, there are the following non-major funds within the governmental fund type.

- *Special Revenue Funds*
These funds account for revenues from specific taxes or ear-marked revenues that are legally restricted to expenditures for specific purposes.
- *Debt Service Funds*
These funds account for the accumulation of resources and payment of bond principal and interest.
- *Capital Projects Funds*
These funds account for revenues derived from specific tax or other ear-marked revenue sources, which are legally restricted to finance the acquisition or construction of major capital assets.

Each of the four proprietary funds are presented as major funds. Three funds are used to account for the acquisition, operation, and maintenance of water, sewer, and storm sewer facilities and are entirely or predominantly self-supported through user charges to customers. Additionally, the Public Services Fund is used to account for the public works management function and the cost of operating automotive and other equipment used by the public works department. The fund's financing sources for the public works management and equipment maintenance activities are billings to the benefiting public works funds. The activities in this fund directly support the operations of the three other proprietary funds. The following proprietary funds are reported:

- *Water Fund*
Water Fund (budgetary basis financial statements only)
Water Improvement Fund (budgetary basis financial statements only)
- *Sewer Fund*
Sewer Fund (budgetary basis financial statements only)
Sewer Improvement Fund (budgetary basis financial statements only)
Debt Service Fund (budgetary basis financial statements only – portion related to Sewer Bonds)
- *Storm Sewer Fund*
Storm Sewer Utility Fund (budgetary basis financial statements only)
Storm Sewer Improvement Fund (budgetary basis financial statements only)
- *Public Services Fund*

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The government-wide financial statements and the proprietary funds financial statements are presented on a *full accrual* basis of accounting with an *economic resource* measurement focus. An economic resource focus concentrates on an entity or fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Governmental fund financial statements are presented on a *modified accrual* basis of accounting with a *current financial resource* measurement focus. This measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual basis of accounting, a current financial resources measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. *Measurable* means the amount of the transaction can be determined and revenues are considered *available* when they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, revenues are considered available if they are collected within 60 days of the end of the current fiscal period. Revenues considered susceptible to accrual are property taxes, state, county and local shared revenues taxes and fees, franchise fees, intergovernmental grants, and investment income.

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

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

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

Since the governmental fund statements are presented on a different measurement focus and basis accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's Water, Sewer, Storm Sewer, and Public Services Funds are charges to customers for sales and services. The Water, Sewer, and Storm Sewer Funds also recognize System Development Charges (SDC) fees intended to recover the cost of connecting new customers to the utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overhead charges, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND EQUITY

Cash and Investments

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Receivables and Payables

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Recorded property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as an unavailable revenue because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts is not deemed necessary by management, as uncollectible taxes become a lien on the property. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Assessments are recognized as receivables at the time the property owners are assessed for property improvement. These receivables are offset by unavailable revenue and, accordingly, have not been recognized as revenue.

In the government-wide financial statements, property taxes and assessment receivables are recognized as revenue when earned.

Receivables of the proprietary funds are recognized as revenue when earned, including services provided but not billed.

Supply Inventories and Prepaid items

Inventories of materials and supplies in all funds are stated at cost on a first-in, first-out basis and charged to expenses as used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

Restricted Assets

Cash and investments which may only be used for construction of capital assets or debt service principal and interest payments in accordance with applicable laws and regulations have been reported as restricted cash and investments on the Government-wide Statement of Net Position and the Proprietary Fund Statement of Net Position.

Capital Assets

Capital assets — which include property, plant, equipment, and infrastructure (e.g., streets, sidewalks, and similar items) — are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements.

Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of greater than one year. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

<u>Asset</u>	<u>Years</u>
Buildings and improvements	20 - 50
Improvements other than buildings	10 - 20
Utility systems and infrastructure	20 - 40
Machinery, equipment, and vehicles	5 - 15

Capital assets include contribution of capital assets from outside developers. Revenue from these capital contributions is reflected in general revenues on the statement of activities.

Accrued Compensated Absences and Sick Pay

Accumulated vested vacation and comp-time pay is accrued as it is earned. For governmental funds, only the portion in connection with terminated employees is reported. The non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. In business-type/enterprise funds, both the current and long-term liabilities are recorded.

Sick pay, which does not vest, is recognized in all funds when leave is taken.

Long-Term Debt

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

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. Pursuant to the Fund Balance Policy adopted by the City Council Resolution 2110, the City Manager and the Finance Director have been given authority to assign fund balances.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that will affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. A deferred outflow is reported on the Statement of Net Position for the pension deferral and OPEB deferral.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Additionally, another items reported on the Statement of Net Position are as follows – pension related deferral and OPEB related deferral.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

An annual budget is adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budgets Law). The process under which the budget is adopted is described in the following paragraphs.

Each April or May, the City Manager submits a proposed budget to the Budget Committee (consisting of the City Council and an equal number of citizens of the City). All funds are required to be budgeted for except the fiduciary fund. The budget is prepared on the modified accrual basis of accounting. Interfund loans are budgeted as sources and uses in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object.

The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget which is then submitted to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10% by Council without returning to the Budget Committee for a second approval. After the Council adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

The City Council legally adopted the budget by resolution before July 1. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution is by department for the General Fund and by object class for all other funds. Expenditure budgets are appropriated at the legal level of control which is the department level in the General Fund and the following levels for all other funds: Personal Services, Materials and Services, Capital Outlay, Interfund Transactions, Debt Service, and Operating Contingency. Appropriations lapse as of year-end.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in

CITY OF TROUTDALE, OREGON
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newspapers and approval by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. Management may modify original and supplemental budgets by the use of appropriation transfers between the levels of control within a fund.

Excess of Expenditures over Appropriations

Expenditures of the various funds were within authorized appropriations.

3. DETAILED NOTES ON ALL FUNDS

POOLED DEPOSITS AND INVESTMENTS

Cash and investment balances are maintained in a common pooled account. Investment income is allocated monthly based on each fund's average cash balance.

Cash and investments are comprised of the following at June 30, 2018:

Cash and investments	\$ 15,228,188
Restricted assets - cash and investments	<u>10,854,935</u>
	<u>\$ 26,083,123</u>
Deposits with financial institutions	\$ 211,575
Petty cash	950
Oregon State Treasurer's Local Government Investment Pool	<u>25,870,598</u>
	<u>\$ 26,083,123</u>

DEPOSITS

Deposits with financial institutions include bank demand deposits. At year-end, the total bank balance per the bank statements is \$473,516. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. At various times during the fiscal year, bank balances exceeded the FDIC limit but the excess funds were covered by collateral pledged by qualified depositories. These depositories are qualified by the Oregon State Treasurer's office.

INVESTMENTS

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the

CITY OF TROUTDALE, OREGON
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types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. Pool funds are available next day via ACH withdrawals and same day wire transfer withdrawals are limited to \$1.5 million. The audited financial reports of the Oregon Short Term Fund can be found here: [http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx) If the link has expired please contact the Oregon Short Term Fund directly.

As of June 30, 2018, there were the following investments:

<u>Investment type</u>	<u>Maturities</u>	<u>Fair value</u>
Oregon State Treasury's Local Government Investment Pool	Avg 0 – 6 months	<u>\$25,870,598</u>

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. Declines in fair values are managed by limiting the weighted average maturity of the investment portfolio to levels required by State statute.

Credit Risk

State statutes authorize investment primarily in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the Oregon State Treasury's Local Government Investment Pool. The Oregon State Treasury's Local Government Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2018, 100% of total investments were in the Oregon State Treasury's Local Government Investment Pool. State statutes do not limit the percentage of investment in the Pool.

RECEIVABLES

Receivables as of June 30, 2018 for the major and non-major governmental funds in the aggregate are as follows:

	<u>General</u>	<u>Street</u>	<u>Total Non-major</u>	<u>Total</u>
Property taxes	\$ 288,068	\$ -	\$ 7,428	\$ 295,496
Accounts	553,539	273,961	31,523	859,023
	<u>\$ 841,607</u>	<u>\$ 273,961</u>	<u>\$ 38,951</u>	<u>\$ 1,154,519</u>

CITY OF TROUTDALE, OREGON
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There is no allowance for uncollectible accounts deemed necessary by management.

Governmental funds report unavailable revenue in the fund financial statements in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also delay recognition in connection with resources that have been received, but not yet earned. As of the end of the fiscal year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

Property Taxes	\$	268,796
Other items		3,500
Total	<u>\$</u>	<u>272,296</u>

CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Non-depreciable				
Land	\$ 3,461,425	\$ 2,406,807	\$ (905)	\$ 5,867,327
Intangibles	45,942	-	-	45,942
Construction in progress	<u>550,001</u>	<u>255,301</u>	<u>(550,000)</u>	<u>255,302</u>
Total non-depreciable	<u>4,057,368</u>	<u>2,662,108</u>	<u>(550,905)</u>	<u>6,168,571</u>
Depreciable				
Buildings and improvements	10,799,121	-	-	10,799,121
Land improvements	4,768,125	90,205	-	4,858,330
Equipment	1,458,953	156,816	(168,120)	1,447,649
Infrastructure	<u>24,587,669</u>	<u>600,886</u>	<u>-</u>	<u>25,188,555</u>
Total depreciable	<u>41,613,868</u>	<u>847,907</u>	<u>(168,120)</u>	<u>42,293,655</u>
Accumulated depreciation				
Buildings and improvements	(2,936,457)	(176,036)	-	(3,112,493)
Land improvements	(3,466,418)	(92,848)	-	(3,559,266)
Equipment	(1,145,687)	(144,044)	168,120	(1,121,611)
Infrastructure	<u>(20,178,615)</u>	<u>(309,245)</u>	<u>-</u>	<u>(20,487,860)</u>
Total accumulated depreciation	<u>(27,727,177)</u>	<u>(722,173)</u>	<u>168,120</u>	<u>(28,281,230)</u>
Depreciable, net	<u>13,886,691</u>	<u>125,734</u>	<u>-</u>	<u>14,012,425</u>
Governmental activities capital assets, net	<u>\$ 17,944,059</u>	<u>\$ 2,787,842</u>	<u>\$ (550,905)</u>	<u>\$ 20,180,996</u>

Depreciation expense for governmental activities is charged to functions as follows:

General government	\$	68,001
Public safety		171,680
Highways and streets		310,197
Community development		<u>172,295</u>
Total depreciation for governmental activities	<u>\$</u>	<u>722,173</u>

CITY OF TROUTDALE, OREGON
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Capital asset activity for business-type activities for the fiscal year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Non-depreciable				
Land	\$ 1,751,742	\$ -	\$ (104,770)	\$ 1,646,972
Intangibles	30,788	-	-	30,788
Construction in progress	-	13,501	-	13,501
Total non-depreciable	<u>1,782,530</u>	<u>13,501</u>	<u>(104,770)</u>	<u>1,691,261</u>
Depreciable				
Buildings and improvements	2,331,719	-	-	2,331,719
Land improvements	369,982	-	-	369,982
Equipment	1,101,556	89,973	(32,189)	1,159,340
Infrastructure	56,214,782	1,377,681	-	57,592,463
Total depreciable	<u>60,018,039</u>	<u>1,467,654</u>	<u>(32,189)</u>	<u>61,453,504</u>
Accumulated depreciation				
Buildings and improvements	(905,749)	(48,423)	-	(954,172)
Land improvements	(314,134)	(11,369)	-	(325,503)
Equipment	(982,069)	(28,999)	32,189	(978,879)
Infrastructure	(28,163,364)	(1,185,914)	-	(29,349,278)
Total accumulated depreciation	<u>(30,365,316)</u>	<u>(1,274,705)</u>	<u>32,189</u>	<u>(31,607,832)</u>
Depreciable, net	<u>29,652,723</u>	<u>192,949</u>	<u>-</u>	<u>29,845,672</u>
Business-type activities capital assets, net	<u>\$ 31,435,253</u>	<u>\$ 206,450</u>	<u>\$ (104,770)</u>	<u>\$ 31,536,933</u>

Depreciation expense for business-type activities is charged to functions as follows:

Water	\$ 429,847
Sewer	584,722
Storm Sewer	260,136
Total depreciation business-type activities	<u>\$ 1,274,705</u>

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers between governmental and business-type activities are reported as net transfers in the Statement of Activities. Net transfers in the Statement of Activities are reported as zero for the fiscal year ended June 30, 2018. Transfers between funds provide support for various programs in accordance with budgetary authorizations.

Interfund transfers are used to pay administrative services, provide funds for debt service, contribute toward the cost of capital projects, and provide operational resources.

The transfers for business type activities are presented in the budgetary funds and not in the proprietary funds as for generally accepted accounting principals purposes, these funds are consolidated.

Interfund receivables and payables are used to fund current operations and long term projects.

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The interfund activity for fiscal year ended June 30, 2018 is as follows:

ALL ACTIVITIES	TRANSFERS FROM	TRANSFERS TO
GENERAL FUND	\$ 876	\$ 597,000
NONMAJOR FUNDS	257,000	876
SEWER FUND	534,632	359,632
STORM SEWER FUND	165,000	-
TOTAL INTERFUND TRANSFERS	\$ 957,508	\$ 957,508
	INTERFUND LOAN RECEIVABLE	INTERFUND LOAN PAYABLE
GOVERNMENTAL ACTIVITIES		
GENERAL FUND	\$ 5,200,000	\$ 55,000
URA RIVERFRONT DEVELOPMENT	-	5,200,000
NONMAJOR FUNDS	167,500	112,500
	\$ 5,367,500	\$ 5,367,500

LONG-TERM DEBT

There are a variety of debt types for the purpose of carrying out capital financing activities. The various types of debt are discussed below. Outstanding debt amounts are as of June 30, 2018.

The following table presents current year changes in long-term debt outstanding, along with the current portions due for each issue.

	Beginning Balance	Increase	Decrease	Ending Balance	Due in One Year
Governmental Activities					
Parks and Facilities Loan	\$ 138,000	\$ -	\$ (138,000)	\$ -	\$ -
G.O. Bonds	6,440,000	-	(265,000)	6,175,000	290,000
Full Faith and Credit Obligations	-	5,000,000	-	5,000,000	-
Capital Leases	15,952	-	(10,194)	5,758	5,758
Landfill post-closure care	218,721	-	(11,250)	207,471	11,501
Deferred Amounts:					
Bond Premium	45,964	-	(3,283)	42,681	-
Bond Discount	-	(17,100)	-	(17,100)	-
Total Governmental Activities	\$ 6,858,637	\$ 4,982,900	\$ (427,727)	\$ 11,413,810	\$ 307,259
Business-type Activities					
Refunding, 2008	\$ 1,235,000	\$ -	\$ (1,235,000)	\$ -	\$ -
Deferred Amounts:					
Bond Premium	(26,733)	-	26,733	-	-
Bond Discount	12,586	-	(12,586)	-	-
Total Business-type Activities	\$ 1,220,853	\$ -	\$ (1,220,853)	\$ -	\$ -

CITY OF TROUTDALE, OREGON
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GOVERNMENTAL ACTIVITIES

General Obligation Bonds

General obligation bonds were issued in February of 2011 in the amount of \$7,540,000 for the construction of a new police station. These twenty (20) year term bonds were issued with interest rates ranging from 2.0% to 4.0% and the final maturity due in 2031. The balance outstanding at June 30, 2018 is \$6,175,000. Principal and interest is payable from property tax revenues.

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

Year Ending June 30,	Principal	Interest
2019	\$ 290,000	\$ 253,698
2020	315,000	242,098
2021	340,000	229,498
2022	370,000	215,898
2023	400,000	201,098
2024-2028	2,495,000	739,355
2029-2033	1,965,000	172,646
Totals	<u>\$ 6,175,000</u>	<u>\$ 2,054,291</u>

Full Faith and Credit Obligation Bonds

Full faith and credit obligation bonds were issued in March of 2018 in the amount of \$5,000,000 to finance projects for the Troutdale Riverfront Renewal Plan. These ten (10) year term bonds were issued with interest rates ranging from 3.15% to 3.59% and the final maturity due in 2028. The balance outstanding at June 30, 2018 is \$5,000,000. Principal and interest is payable from general government revenue. Annual debt service requirements to maturity for full faith and credit obligation bonds for governmental type activities are as follows:

Year Ending June 30,	Principal	Interest
2019	\$ -	\$ 167,000
2020	-	167,000
2021	-	167,000
2022	-	167,000
2023	-	167,000
2024-2028	5,000,000	512,000
Totals	<u>\$ 5,000,000</u>	<u>\$ 1,347,000</u>

CITY OF TROUTDALE, OREGON
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Capital leases

Three capital leases have been entered into for several copiers. The cost of the equipment was capitalized for \$50,976. The leases are for a period of 60 months and yearly payments are required ranging from \$1,125 to \$3,436. The current year lease expense was \$5,758. The following is a schedule of future lease payments at June 30:

Year Ending June 30,	Principal	Interest
2018	5,758	-
Totals	\$ 5,758	\$ -

BUSINESS-TYPE ACTIVITIES

ACCRUED COMPENSATED ABSENCES

Changes in accrued compensated absences are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Governmental	\$ 128,885	\$ 196,972	\$ (172,470)	\$ 153,387	\$ 30,677
Business Type	65,716	79,599	(73,511)	71,804	14,361
Total	\$ 194,601	\$ 276,571	\$ (245,981)	\$ 225,191	\$ 45,038

The General Fund has been charged with the costs to liquidate the liability for the compensated absence for the governmental funds.

CITY OF TROUTDALE, OREGON
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RESTRICTED ASSETS

The balances of the restricted cash and investment accounts are as follows:

	Governmental	Business-Type
Street	\$ 3,090,701	\$ -
Project Fund	53,076	-
Street Tree	42,690	-
Code Specialties	1,928,781	-
Sam Cox Building	38,606	-
Community Enhancement Fund	19,591	-
Bike Paths and Trails	11,431	-
Debt service reserves:		
FF & C Debt Service	85,929	
System Development Charges:		
Water SDC	-	146,330
Sewer SDC	-	756,717
Street SDC	998,857	-
Storm SDC	-	2,385,427
Parks SDC	1,296,799	-
Total restricted assets	\$ 7,566,461	\$ 3,288,474

4. OTHER INFORMATION

RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of City-County Insurance Services (CCIS), a public entity risk pool currently operating a common risk management and insurance program. An annual premium is paid to CCIS for its insurance coverage. Based on the experience and the pool, there may be liability for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. There has never been the requirement to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Commercial insurance is carried for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon the financial position, results of operations or cash flows.

During 1979 and 1980 sewer hookup reservations were sold as a means of financing the expansion of the wastewater treatment plant. Amounts received from property owners are nontransferable and nonrefundable. Deposits are applied to the sewer system development charge at the time of hookup.

Federal grants are subject to audit by the grantor agency and any adjustments may become a liability of the appropriate fund. Management believes that adjustments, if any, will not materially affect the financial position.

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service

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- time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
employed continuously as a police and fire member for at least five years immediately preceding retirement.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2018 were \$324,308, excluding amounts to fund employer specific liabilities. In addition approximately \$69,901 in employee contributions were paid or picked up by the City in fiscal 2018. At June 30, 2018, the City reported a net pension liability of \$2,722,946 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of

CITY OF TROUTDALE, OREGON
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December 31, 2015. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2017, the City's proportion was .02 percent. Pension expense for the year ended June 30, 2018 was \$373,167.

The rates in effect for the year ended June 30, 2018 were:

- (1) Tier 1/Tier 2 – 14.74%
- (2) OPSRP general services – 8.02%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual expense	\$ 131,683	\$ -
Changes in assumptions	496,345	-
Net difference between projected and actual earnings on pension plan investments	28,053	-
Net changes in proportionate share	40,698	2,449,487
Differences between City contributions and proportionate share of contributions	64,640	242,105
Subtotal - Amortized Deferrals (below)	761,419	2,691,592
City contributions subsequent to measuring date	324,308	-
Deferred outflow (inflow) of resources	\$ 1,085,727	\$ 2,691,592

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2019.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2019	\$ (512,603)
2020	(287,590)
2021	(381,795)
2022	(600,697)
2023	(147,488)
Thereafter	-
Total	\$ (1,930,173)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 16, 2018. Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the

CITY OF TROUTDALE, OREGON
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amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2015 rolled forward to June 30, 2017
Experience Study Report	2014, Published September 23, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.50 percent
Projected salary increase	3.5 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/1.15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2015 Experience Study which is reviewed for the four-year period ending December 31, 2015.

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Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

(Source: June 30, 2017 PERS CAFR; p. 92)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2017 PERS CAFR; p. 69)

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

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 4,640,400	\$ 2,722,946	\$ 1,119,602

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

Death Benefits:

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

Contributions:

Employees of the City pay six (6) percent of their covered payroll. The City did not make any optional contributions to member IAP accounts for the year ended June 30, 2018.

Retirement Health Insurance Account

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the years ended June 30, 2017 and 2018 were \$14,293, \$14,560, respectively, which equaled the required contributions each year.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

At June 30, 2018, the City's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75

Plan Description: The City operates a single-employer retiree benefit plan that provides postemployment health, dental and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

Benefits and eligibility for members are established through the collective bargaining agreements. The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the City's implicit employer contribution. The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan

Funding Policy: The benefits from this program are paid by the City on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is not obligation on the part of the City to fund these benefits in advance.

Actuarial Methods and Assumptions: The City engaged an actuary to perform an evaluation as of June 30, 2018 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year	3.58%
General Inflation Rate per year	2.50%
Salary Scale per year	3.50%

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

Health Care Cost Trends:

<u>Year</u>	<u>Trend</u>		<u>Year</u>	<u>Trend</u>
2017	7.5	%	2036-2040	6.00 %
2018	6.00		2041-2043	5.75
2019	5.5		2044-2052	5.50
2020-2025	5.25		2053-2063	5.25
2026	5		2064+	5.00
2027-2029	5.25			
2030	5.75			
2031-2035	6.25			

Mortality rates were based on rates adopted by the Oregon Public Employees Retirement System (PERS) for its December 31, 2016 actuarial valuation of retirement benefits.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were not used.

Retirement rates were based on Oregon PERS assumptions. Annual rates are based on age, Tier / OPSRP, and duration of service.

The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Changes in Medical Benefit OPEB Liability:

Balance at June 30, 2017	\$ 217,397
Changes for the Year:	
Service Cost	13,287
Interest	6,317
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions or Other Input	(11,198)
Benefit Payments	<u>(18,187)</u>
Net Changes for the Year	<u>(9,781)</u>
Total OPEB Liability at June 30, 2018	<u><u>\$ 207,616</u></u>

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following presents the net other post-employment benefit liability (NOL), calculated using the discount rate of 3.58 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

June 30, 2018	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 222,903	\$ 207,616	\$ 193,482

The following presents the net other post-employment benefit liability (NOL), calculated using trend rate of 6.5 percent graded down to 5.0 percent, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (5.5 percent graded down to 4.0 percent) or 1-percentage-point higher (7.5 percent graded down to 6.0 percent) than the current rate:

June 30, 2018	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 188,777	\$ 207,616	\$ 229,688

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	(9,392)	-
Benefit Payments	-	14,479
Deferred outflow (inflow) of resources	\$ (9,392)	\$ 14,479

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2019	\$ (1,806)
2020	(1,806)
2021	(1,806)
2022	(1,806)
2023	(1,806)
Thereafter	(362)
Total	\$ (9,392)

DEFERRED COMPENSATION PLANS

Two deferred compensation trust plans were created in accordance with Internal Revenue Code Section 457. The trusts hold the assets for the exclusive benefit of plan participants and their beneficiaries. Plan assets are not the property of the City, or subject to the claims of the City's general creditors.

PROPERTY TAX LIMITATION

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax revenue is separated into those for public schools and those for local governments other than public schools. The limitation specifies a maximum rate for all local government operations of \$10.00 per \$1,000 of real market value, while schools are similarly limited to a \$5.00 maximum rate. Local government taxes in the City currently do not exceed the \$10.00 rate limit; however, this limitation may affect the availability of future tax revenues.

In May 1997, voters approved Measure 50 which rolled back assessed values to 90% of 1995-96 and limits future increases of taxable assessed values to 3% per year, exclusive of new construction and property that is improved, rezoned, subdivided, or ceases to qualify for exemption. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rate provided a majority approves at either (i) a general election in an even numbered year, or (ii) at any other election in which at least 50% of registered voters cast a ballot.

POST-CLOSURE LANDFILL CARE

The Sunrise Park (Obrist) Landfill previous Solid Waste Disposal Site Closure Permit Number 1193 expired in April 2009. The facility is permitted as a Closed Construction and Demolition Landfill. The landfill closure permit was renewed by the Oregon Department of Environmental Quality (DEQ) on December 21, 2012 based upon a Land Use Compatibility Statement May 14, 1998 and a Solid Waste Disposal Site Closure Permit renewal application of November 17, 2008, and an Environmental Monitoring Plan approved by DEQ on March 15, 2011.

The City has had a previously unrecorded a liability for the estimated costs of landfill postclosure care. As part of the above renewal application with DEQ the City is providing a financial assurance plan beginning with the 2012-2013 fiscal year and for each subsequent year to comply with State and federal laws and regulations which require the City to perform certain maintenance and monitoring functions at the site for thirty years after closure.

The City has evaluated the liability by examining the estimated costs needed to perform the postclosure care over the remaining life determined the year ended June 30, 2018 estimated liability of \$207,471. The estimated future costs to maintain and monitor the landfill may change due to one or more of the following factors of inflation, deflation, changes in technology or changes to applicable laws or regulations. The City believes this long term liability has been, and will remain, immaterial in light of the City's overall financial condition.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

5. DEFICIT FUND BALANCE

There is a deficit fund balance in the following fund:

URA Riverfront Development Fund - \$3,270,209
Sam Cox Building - \$78,644

The deficit fund balances are the result of budgetary to GAAP accounting differences for Interfund Loans.

6. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2018 are as follows:

Fund Balances:	<u>General Fund</u>	<u>Street Fund</u>	<u>URA Riverfront Development</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>Nonspendable:</u>					
Prepaid items	\$ 8,075	\$ -	\$ -	\$ -	\$ 8,075
Inventory	608	13,758	-	-	14,366
Total	<u>8,683</u>	<u>13,758</u>	<u>-</u>	<u>-</u>	<u>22,441</u>
<u>Restricted:</u>					
Capital projects	-	-	-	6,603,108	6,603,108
Debt service	-	-	-	1,156,042	1,156,042
Street maintenance	-	3,332,262	-	-	3,332,262
Total	<u>-</u>	<u>3,332,262</u>	<u>-</u>	<u>7,759,150</u>	<u>11,091,412</u>
Unassigned:	<u>10,780,053</u>	<u>-</u>	<u>(3,270,209)</u>	<u>(78,644)</u>	<u>7,431,200</u>
Total Fund Balances	<u>\$ 10,788,736</u>	<u>\$ 3,346,020</u>	<u>\$ (3,270,209)</u>	<u>\$ 7,680,506</u>	<u>\$ 18,545,053</u>

7. TAX ABATEMENT DISCLOSURES

As of June 30, 2018, the City offers tax abatements as a sponsor of the Columbia Cascade Enterprise Zone, ORS Chapter 285C, which would reduce the City's property tax revenue. For the current reporting period there were no companies receiving tax abatements, however projects currently in process are expected to result in tax abatements in future reporting periods.

In addition, there were tax abatement programs provided by the State of Oregon which also reduced the City's property tax revenues.

- Special Assessment of Historic Property, ORS 358.487 to 358.543. To support historic building preservation the program specially assesses a property's assessed value for 10 years through the State Historic Preservation Office (SHPO) approval. City property tax revenues were reduced by \$15,939 by the program during the current reporting period.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2018

- Alternative Energy Systems, ORS 307.175. To encourage alternative energy production this abatement exempts the additional taxable value of equipping a property with net metering or with alternative systems for onsite electricity or climate control as compared to a conventional system until 2023. City property taxes were reduced by \$3,758 by the program during the current reporting period.

8. RESTATEMENT OF NET POSITION

The City implemented GASB #75, Formerly GASB #45, for Other Post-Employment Benefits (OPEB) which resulted in a restatement of beginning net position for 2017-18 in the amount of (\$217,397).

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF TROUTDALE, OREGON

**REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2018**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) City's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2008	0.0202 %	\$ 2,722,947	\$ 3,061,346	0.9 %	83.1 %
2017	0.0532	7,989,157	2,896,024	2.8	80.5
2016	0.0580	3,351,769	4,718,429	0.7	91.9
2015	0.0540	(1,224,762)	4,771,980	(26.0)	103.6
2014	0.0540	2,757,356	3,534,062	57.8	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

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

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2018	\$ 324,308	\$ 324,308	\$ -	\$ 3,328,387	10%
2017	292,159	292,159	-	3,061,346	10%
2016	296,606	296,606	-	2,896,024	10%
2015	414,661	414,661	-	4,718,429	8.8
2014	416,388	416,388	-	4,771,980	8.7

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

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

CITY OF TROUTDALE, OREGON

SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2018

Total OPEB Liability at June 30, 2017	\$	217,397
Changes for the year:		
Service Cost	\$	13,287
Interest		6,317
Changes of Benefit Terms		-
Differences Between Expected and Actual Experience		-
Changes of Assumptions or Other Input		(11,198)
Benefit Payments		(18,187)
		(9,781)
 Net Changes for the Year		 (9,781)
 Total OPEB Liability at June 30, 2018	 \$	 <u>207,616</u>
 Covered Payroll		 3,328,387
 Total OPEB Plan as a Percentage of Covered Payroll		 6.24%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The City implemented GASB 75 in the fiscal year ending June 30, 2018.

**SUPPLEMENTARY
INFORMATION**

CITY OF TROUTDALE, OREGON
URA RIVERFRONT DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental grant	\$ 2,050,000	\$ 2,050,000	\$ 3,061	\$ (2,046,939)
Interest	-	-	17,597	17,597
Total revenues	<u>2,050,000</u>	<u>2,050,000</u>	<u>20,658</u>	<u>(2,029,342)</u>
EXPENDITURES:				
Materials and services	700,000	700,000	191,830	508,170
Capital outlay	1,550,000	6,550,000	2,406,807	4,143,193
Contingency	1,754,882	1,754,882	-	1,754,882
Total expenditures	<u>4,004,882</u>	<u>9,004,882</u>	<u>2,598,637</u>	<u>6,406,245</u>
Revenues over (under) expenditures	(1,954,882)	(6,954,882)	(2,577,979)	4,376,903
OTHER FINANCING SOURCES (USES):				
Interfund Loan Proceeds	-	5,000,000	5,000,000	-
Land Sale Proceeds	1,500,000	1,500,000	-	(1,500,000)
Total other financing sources (uses)	<u>1,500,000</u>	<u>6,500,000</u>	<u>5,000,000</u>	<u>(1,500,000)</u>
Net changes in fund balances	(454,882)	(454,882)	2,422,021	2,876,903
FUND BALANCES, BEGINNING	<u>454,882</u>	<u>454,882</u>	<u>407,770</u>	<u>(47,112)</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,829,791</u>	<u>\$ 2,829,791</u>
Budget to GAAP Reconciliation				
Interfund loan transactions			<u>(6,100,000)</u>	
GAAP Fund Balance			<u>\$ (3,270,209)</u>	

CITY OF TROUTDALE, OREGON
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
ASSETS				
Cash and investments	\$ 2,041,099	\$ 85,929	\$ 4,467,386	\$ 6,594,414
Accounts receivable	30,811	712	-	31,523
Property taxes receivable	-	7,428	-	7,428
Interfund loan receivable	-	-	167,500	167,500
Due from	-	1,068,685	-	1,068,685
Total assets	<u>\$ 2,071,910</u>	<u>\$ 1,162,754</u>	<u>\$ 4,634,886</u>	<u>\$ 7,869,550</u>
LIABILITIES				
Accounts payable	\$ 64,565	\$ -	\$ 517	\$ 65,082
Deposits payable	4,750	-	-	4,750
Interfund loan	112,500	-	-	112,500
Total liabilities	<u>181,815</u>	<u>-</u>	<u>517</u>	<u>182,332</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Taxes	-	6,712	-	6,712
FUND BALANCES				
Restricted	1,968,739	1,156,042	4,634,369	7,759,150
Unassigned	(78,644)	-	-	(78,644)
Total fund balances	<u>1,890,095</u>	<u>1,156,042</u>	<u>4,634,369</u>	<u>7,680,506</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,071,910</u>	<u>\$ 1,162,754</u>	<u>\$ 4,634,886</u>	<u>\$ 7,869,550</u>

CITY OF TROUTDALE, OREGON
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2018

	<u>Street Tree Fund</u>	<u>Bike Paths & Trails Fund</u>	<u>Code Specialties Fund</u>	<u>Sam Cox Building Fund</u>	<u>Comm. Enhance. Fund</u>	<u>Total</u>
ASSETS						
Cash and investments	\$ 42,690	\$ 11,431	\$ 1,928,781	\$ 38,606	\$ 19,591	\$ 2,041,099
Accounts receivable	-	991	3,789	-	26,031	30,811
Total assets	<u>\$ 42,690</u>	<u>\$ 12,422</u>	<u>\$ 1,932,570</u>	<u>\$ 38,606</u>	<u>\$ 45,622</u>	<u>\$ 2,071,910</u>
LIABILITIES						
Accounts payable	\$ 2,260	\$ -	\$ 62,305	\$ -	\$ -	\$ 64,565
Deposits payable	-	-	-	4,750	-	4,750
Interfund loan	-	-	-	112,500	-	112,500
Total liabilities	<u>2,260</u>	<u>-</u>	<u>62,305</u>	<u>117,250</u>	<u>-</u>	<u>181,815</u>
FUND BALANCES						
Restricted	40,430	12,422	1,870,265	-	45,622	1,968,739
Unassigned	-	-	-	(78,644)	-	(78,644)
Total fund balances	<u>40,430</u>	<u>12,422</u>	<u>1,870,265</u>	<u>(78,644)</u>	<u>45,622</u>	<u>1,890,095</u>
Total liabilities and fund balance	<u>\$ 42,690</u>	<u>\$ 12,422</u>	<u>\$ 1,932,570</u>	<u>\$ 38,606</u>	<u>\$ 45,622</u>	<u>\$ 2,071,910</u>

CITY OF TROUTDALE, OREGON
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2018

	<u>COP Debt Service Fund</u>	<u>URA Debt Service Fund</u>	<u>FF&C Debt Service Fund</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ -	\$ -	\$ 85,929	\$ 85,929
Property taxes receivable	-	7,428	-	7,428
Accounts receivable	-	712	-	712
Due from	-	1,068,685	-	1,068,685
Total assets	<u>\$ -</u>	<u>\$ 1,076,825</u>	<u>\$ 85,929</u>	<u>\$ 1,162,754</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Taxes	<u>\$ -</u>	<u>\$ 6,712</u>	<u>\$ -</u>	<u>\$ 6,712</u>
Total deferred inflows of resouces	<u>-</u>	<u>6,712</u>	<u>-</u>	<u>6,712</u>
FUND BALANCES				
Restricted	<u>-</u>	<u>1,070,113</u>	<u>85,929</u>	<u>1,156,042</u>
Total fund balances	<u>-</u>	<u>1,070,113</u>	<u>85,929</u>	<u>1,156,042</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,076,825</u>	<u>\$ 85,929</u>	<u>\$ 1,162,754</u>

CITY OF TROUTDALE, OREGON
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2018

	<u>Street Improvement Fund</u>	<u>Parks Improvement Fund</u>	<u>Utilities Underground Fund</u>	<u>STP Site Redevelop ment Fund</u>	<u>Project Fund</u>	<u>Total</u>
ASSETS						
Cash and investments	\$ 998,857	\$ 1,296,799	\$ 2,118,654	\$ -	\$ 53,076	\$ 4,467,386
Interfund loan receivable	-	167,500	-	-	-	167,500
Total assets	<u>\$ 998,857</u>	<u>\$ 1,464,299</u>	<u>\$ 2,118,654</u>	<u>\$ -</u>	<u>\$ 53,076</u>	<u>\$ 4,634,886</u>
LIABILITIES						
Accounts payable	\$ -	\$ 517	\$ -	\$ -	\$ -	\$ 517
Total liabilities	<u>-</u>	<u>517</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>517</u>
FUND BALANCES						
Restricted	998,857	1,463,782	2,118,654	-	53,076	4,634,369
Total fund balances	<u>998,857</u>	<u>1,463,782</u>	<u>2,118,654</u>	<u>-</u>	<u>53,076</u>	<u>4,634,369</u>
Total liabilities and fund balances	<u>\$ 998,857</u>	<u>\$ 1,464,299</u>	<u>\$ 2,118,654</u>	<u>\$ -</u>	<u>\$ 53,076</u>	<u>\$ 4,634,886</u>

CITY OF TROUTDALE, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
REVENUES				
Intergovernmental	\$ 107,917	\$ -	\$ -	\$ 107,917
Charges for services	-	-	865,435	865,435
Property taxes	-	158,721	-	158,721
Franchise	-	-	194,817	194,817
Licenses and permits	1,694,986	-	-	1,694,986
Interest	21,147	1,050	74,270	96,467
Miscellaneous	12,074	-	-	12,074
Total revenues	<u>1,836,124</u>	<u>159,771</u>	<u>1,134,522</u>	<u>3,130,417</u>
EXPENDITURES				
Community development	675,663	-	297	675,960
Capital outlay	822	-	275,000	275,822
Debt service:				
Principal	-	141,518	-	141,518
Interest	-	41,812	-	41,812
Total expenditures	<u>676,485</u>	<u>183,330</u>	<u>275,297</u>	<u>1,135,112</u>
Excess (deficiency) of revenues over (under) expenditures	1,159,639	(23,559)	859,225	1,995,305
OTHER FINANCING SOURCES (USES)				
Transfers in	-	257,000	-	257,000
Transfers out	-	(843)	(33)	(876)
Total other financing sources (uses)	<u>-</u>	<u>256,157</u>	<u>(33)</u>	<u>256,124</u>
Net changes in fund balances	1,159,639	232,598	859,192	2,251,429
FUND BALANCES, BEGINNING	<u>730,456</u>	<u>923,444</u>	<u>3,775,177</u>	<u>5,429,077</u>
FUND BALANCES, ENDING	<u>\$ 1,890,095</u>	<u>\$ 1,156,042</u>	<u>\$ 4,634,369</u>	<u>\$ 7,680,506</u>

CITY OF TROUTDALE, OREGON
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	<u>Street Tree Fund</u>	<u>Bike Paths & Trails Fund</u>	<u>Code Specialties Fund</u>	<u>Sam Cox Building Fund</u>	<u>Comm. Enhance. Fund</u>	<u>Total</u>
REVENUES						
Intergovernmental	\$ -	\$ 10,355	\$ -	\$ -	\$ 97,562	\$ 107,917
Licenses, permits, and fees	-	-	1,672,489	22,497	-	1,694,986
Miscellaneous	-	-	12,074	-	-	12,074
Interest	752	70	19,948	-	377	21,147
Total revenues	<u>752</u>	<u>10,425</u>	<u>1,704,511</u>	<u>22,497</u>	<u>97,939</u>	<u>1,836,124</u>
EXPENDITURES						
Community development	7,501	-	494,760	28,030	145,372	675,663
Capital outlay	-	822	-	-	-	822
Total expenditures	<u>7,501</u>	<u>822</u>	<u>494,760</u>	<u>28,030</u>	<u>145,372</u>	<u>676,485</u>
Net changes in fund balances	(6,749)	9,603	1,209,751	(5,533)	(47,433)	1,159,639
FUND BALANCES, BEGINNING	<u>47,179</u>	<u>2,819</u>	<u>660,514</u>	<u>(73,111)</u>	<u>93,055</u>	<u>730,456</u>
FUND BALANCES, ENDING	<u>\$ 40,430</u>	<u>\$ 12,422</u>	<u>\$1,870,265</u>	<u>\$ (78,644)</u>	<u>\$ 45,622</u>	<u>\$ 1,890,095</u>

CITY OF TROUTDALE, OREGON
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	COP Debt Service Fund	URA Debt Service Fund	FF&C Debt Service Fund	Total
REVENUES				
Property taxes	\$ -	\$ 158,721	\$ -	\$ 158,721
Interest	690	-	360	1,050
Total revenues	<u>690</u>	<u>158,721</u>	<u>360</u>	<u>159,771</u>
EXPENDITURES				
Debt Service				
Principal	138,000	3,518	-	141,518
Interest	2,381	-	39,431	41,812
Total expenditures	<u>140,381</u>	<u>3,518</u>	<u>39,431</u>	<u>183,330</u>
Excess (deficiency) of revenues over (under) expenditures	(139,691)	155,203	(39,071)	(23,559)
OTHER FINANCING SOURCES (USES)				
Transfers in	132,000	-	125,000	257,000
Transfers out	(843)	-	-	(843)
Total other financing sources (uses)	<u>131,157</u>	<u>-</u>	<u>125,000</u>	<u>256,157</u>
Net changes in fund balances	(8,534)	155,203	85,929	232,598
FUND BALANCES, BEGINNING	<u>8,534</u>	<u>914,910</u>	<u>-</u>	<u>923,444</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ 1,070,113</u>	<u>\$ 85,929</u>	<u>\$ 1,156,042</u>

CITY OF TROUTDALE, OREGON
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	<u>Street Improvement Fund</u>	<u>Parks Improvement Fund</u>	<u>Utilities Undergrounding Fund</u>	<u>Site Redevelopment Fund</u>	<u>Project Fund</u>	<u>Total</u>
REVENUES						
Charges for services	\$ 840,435	\$ 25,000	\$ -	\$ -	\$ -	\$ 865,435
Franchise	-	-	194,817	-	-	194,817
Interest	11,986	29,291	32,122	-	871	74,270
Total revenues	<u>852,421</u>	<u>54,291</u>	<u>226,939</u>	<u>-</u>	<u>871</u>	<u>1,134,522</u>
EXPENDITURES						
Materials and services	286	11	-	-	-	297
Capital outlay	275,000	-	-	-	-	275,000
Total expenditures	<u>275,286</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,297</u>
Revenues over (under) expenditures	577,135	54,280	226,939	-	871	859,225
OTHER FINANCING SOURCES (USES):						
Transfer out	-	-	-	(33)	-	(33)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33)</u>	<u>-</u>	<u>(33)</u>
Net changes in fund balances	577,135	54,280	226,939	(33)	871	859,192
FUND BALANCES, BEGINNING	<u>421,722</u>	<u>1,409,502</u>	<u>1,891,715</u>	<u>33</u>	<u>52,205</u>	<u>3,775,177</u>
FUND BALANCES, ENDING	<u>\$ 998,857</u>	<u>\$ 1,463,782</u>	<u>\$ 2,118,654</u>	<u>\$ -</u>	<u>\$ 53,076</u>	<u>\$ 4,634,369</u>

**SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

Governmental Funds

Special Revenue Funds

Street Tree Fund
Bike Paths and Trails Fund
Code Specialties Fund
Sam Cox Building Fund
Metro Community Enhancement Fund

Debt Service Funds

COP Debt Service Fund
URA Debt Service Fund
FF&C Debt Service Fund

Capital Projects Funds

Street Improvement Fund
Parks Improvement Fund
Utilities Undergrounding Fund
STP Site Redevelopment Fund
Projects Fund

**CITY OF TROUTDALE, OREGON
STREET TREE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 350	\$ 350	\$ 752	\$ 402
Total revenues	350	350	752	402
EXPENDITURES:				
Materials and services	39,277	39,277	7,501	31,776
Total expenditures	39,277	39,277	7,501	31,776
Net changes in fund balances	(38,927)	(38,927)	(6,749)	32,178
FUND BALANCES, BEGINNING	38,927	38,927	47,179	8,252
FUND BALANCES, ENDING	\$ -	\$ -	\$ 40,430	\$ 40,430

**CITY OF TROUTDALE, OREGON
BIKE PATHS & TRAILS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 9,237	\$ 9,237	\$ 10,355	\$ 1,118
Investment earnings	100	100	70	(30)
Total revenues	<u>9,337</u>	<u>9,337</u>	<u>10,425</u>	<u>1,088</u>
EXPENDITURES:				
Capital outlay	<u>9,367</u>	<u>9,367</u>	<u>822</u>	<u>8,545</u>
Total expenditures	<u>9,367</u>	<u>9,367</u>	<u>822</u>	<u>8,545</u>
Net changes in fund balances	(30)	(30)	9,603	9,633
FUND BALANCES, BEGINNING	<u>30</u>	<u>30</u>	<u>2,819</u>	<u>2,789</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,422</u>	<u>\$ 12,422</u>

**CITY OF TROUTDALE, OREGON
CODE SPECIALTIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Permits and fees	\$ 282,200	\$ 582,200	\$ 1,672,489	\$ 1,090,289
Miscellaneous	200	200	12,074	11,874
Investment earnings	-	-	19,948	19,948
Total revenues	282,400	582,400	1,704,511	1,122,111
EXPENDITURES:				
Building inspections	290,595	390,595	296,374	94,221
Electrical inspections	69,994	169,994	87,051	82,943
Plumbing inspections	51,589	151,589	111,335	40,254
Contingency	20,246	20,246	-	20,246
Total expenditures	432,424	732,424	494,760	237,664
Revenues over (under) expenditures	(150,024)	(150,024)	1,209,751	1,359,775
OTHER FINANCING SOURCES (USES):				
Transfers in	12,000	12,000	-	(12,000)
Total other financing sources (uses)	12,000	12,000	-	(12,000)
Net changes in fund balances	(138,024)	(138,024)	1,209,751	1,347,775
FUND BALANCES, BEGINNING	138,024	138,024	660,514	522,490
FUND BALANCES, ENDING	\$ -	\$ -	\$ 1,870,265	\$ 1,870,265

**CITY OF TROUTDALE, OREGON
SAM COX BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Permits and fees	\$ 15,000	\$ 15,000	\$ 22,497	\$ 7,497
Investment earnings	1,000	1,000	-	(1,000)
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>22,497</u>	<u>6,497</u>
EXPENDITURES:				
Materials and Services	26,483	26,483	25,910	573
Capital Outlay	26,000	26,000	24,620	1,380
Contingency	4,097	4,097	-	4,097
Total expenditures	<u>56,580</u>	<u>56,580</u>	<u>50,530</u>	<u>6,050</u>
Revenues over (under) expenditures	(40,580)	(40,580)	(28,033)	447
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Net changes in fund balances	(20,580)	(20,580)	(28,033)	(7,453)
FUND BALANCES, BEGINNING	<u>20,580</u>	<u>20,580</u>	<u>61,889</u>	<u>41,309</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,856</u>	<u>\$ 33,856</u>
Budget to GAAP Reconciliation				
Interfund loan transactions			<u>(112,500)</u>	
GAAP Fund Balance			<u>\$ (78,644)</u>	

**CITY OF TROUTDALE, OREGON
COMMUNITY ENHANCEMENT PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Permits and fees	\$ 80,000	\$ 80,000	\$ 97,562	\$ 17,562
Investment Earnings	100	100	377	277
Total revenues	<u>80,100</u>	<u>80,100</u>	<u>97,939</u>	<u>17,839</u>
EXPENDITURES:				
Materials and Services	<u>199,730</u>	<u>199,730</u>	<u>145,372</u>	<u>54,358</u>
Total expenditures	<u>199,730</u>	<u>199,730</u>	<u>145,372</u>	<u>54,358</u>
Net changes in fund balances	(119,630)	(119,630)	(47,433)	72,197
FUND BALANCES, BEGINNING	<u>119,630</u>	<u>119,630</u>	<u>93,055</u>	<u>(26,575)</u>
FUND BALANCES, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 45,622</u></u>	<u><u>\$ 45,622</u></u>

**CITY OF TROUTDALE, OREGON
COP DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 100	\$ 100	\$ 690	\$ 590
Total revenues	100	100	690	590
EXPENDITURES:				
Debt Service:				
Principal	139,100	139,100	138,000	1,100
Interest	1,300	1,300	2,381	(1,081)
Total debt service	140,400	140,400	140,381	19
Revenues over (under) expenditures	(140,300)	(140,300)	(139,691)	609
OTHER FINANCING SOURCES (USES):				
Transfers in	132,000	132,000	132,000	-
Transfers out	-	(1,000)	(843)	157
Total other financing sources (uses)	132,000	131,000	131,157	157
Net changes in fund balances	(8,300)	(9,300)	(8,534)	766
FUND BALANCES, BEGINNING	8,300	9,300	8,534	(766)
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF TROUTDALE, OREGON
URA DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes				
Current year	\$ 129,000	\$ 129,000	\$ 137,473	\$ 8,473
Prior year	1,500	1,500	1,856	356
Penalties and interest	1,500	1,500	19,392	17,892
Total revenues	<u>132,000</u>	<u>132,000</u>	<u>158,721</u>	<u>26,721</u>
EXPENDITURES:				
Debt Service:				
Principal and Interest	<u>101,300</u>	<u>101,300</u>	<u>3,518</u>	<u>97,782</u>
Total expenditures	<u>101,300</u>	<u>101,300</u>	<u>3,518</u>	<u>97,782</u>
Net changes in fund balances	30,700	30,700	155,203	124,503
FUND BALANCES, BEGINNING	<u>6,350</u>	<u>6,350</u>	<u>14,910</u>	<u>8,560</u>
FUND BALANCES, ENDING	<u>\$ 37,050</u>	<u>\$ 37,050</u>	<u>\$ 170,113</u>	<u>\$ 133,063</u>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	<u>900,000</u>
			GAAP Fund Balance	<u>\$ 1,070,113</u>

**CITY OF TROUTDALE, OREGON
FF&C DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ -	\$ -	\$ 360	\$ 360
Total revenues	-	-	360	360
EXPENDITURES:				
Debt Service:				
Principal and Interest	-	125,000	39,431	85,569
Total expenditures	-	125,000	39,431	85,569
Revenues over (under) expenditures	-	(125,000)	(39,071)	85,929
OTHER FINANCING SOURCES (USES):				
Transfers in	-	125,000	125,000	-
Total other financing sources (uses)	-	125,000	125,000	-
Net changes in fund balances	-	-	85,929	85,929
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,929</u>	<u>\$ 85,929</u>

**CITY OF TROUTDALE, OREGON
STREET IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 40,000	\$ 40,000	\$ 840,435	\$ 800,435
Investment earnings	2,500	2,500	11,986	9,486
Total revenues	<u>42,500</u>	<u>42,500</u>	<u>852,421</u>	<u>809,921</u>
EXPENDITURES:				
Materials and services	25,000	25,000	286	24,714
Capital outlay	350,000	350,000	275,000	75,000
Contingency	124,798	124,798	-	124,798
Total expenditures	<u>499,798</u>	<u>499,798</u>	<u>275,286</u>	<u>224,512</u>
Net changes in fund balances	(457,298)	(457,298)	577,135	1,034,433
FUND BALANCES, BEGINNING	<u>457,298</u>	<u>457,298</u>	<u>421,722</u>	<u>(35,576)</u>
FUND BALANCES, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 998,857</u></u>	<u><u>\$ 998,857</u></u>

**CITY OF TROUTDALE, OREGON
PARKS IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 48,500	\$ (51,500)
System development charges	15,000	15,000	25,000	10,000
Investment earnings	8,000	8,000	29,291	21,291
Total revenues	123,000	123,000	102,791	(20,209)
EXPENDITURES:				
Materials and services	75,000	75,000	11	74,989
Capital outlay	382,500	382,500	-	382,500
Contingency	488,792	488,792	-	488,792
Total expenditures	946,292	946,292	11	946,281
Revenues over (under) expenditures	(823,292)	(823,292)	102,780	926,072
OTHER FINANCING SOURCES (USES):				
Transfers In	48,500	48,500	-	(48,500)
Transfers Out	(293,000)	(293,000)	-	293,000
Total other financing sources (uses)	(244,500)	(244,500)	-	244,500
Net changes in fund balances	(1,067,792)	(1,067,792)	102,780	1,170,572
FUND BALANCE, BEGINNING	1,067,792	1,067,792	1,193,502	125,710
FUND BALANCE, ENDING	\$ -	\$ -	\$ 1,296,282	\$ 1,296,282
			Budget to GAAP Reconciliation	
			Interfund loan transactions	167,500
			GAAP Fund Balance	<u>\$ 1,463,782</u>

**CITY OF TROUTDALE, OREGON
 UTILITIES UNDERGROUNDING FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Franchise fees	\$ 189,820	\$ 189,820	\$ 194,817	\$ 4,997
Investment earnings	5,000	5,000	32,122	27,122
Total revenues	<u>194,820</u>	<u>194,820</u>	<u>226,939</u>	<u>32,119</u>
EXPENDITURES:				
Capital outlay	<u>2,023,773</u>	<u>2,023,773</u>	-	<u>2,023,773</u>
Total expenditures	<u>2,023,773</u>	<u>2,023,773</u>	-	<u>2,023,773</u>
Net changes in fund balances	(1,828,953)	(1,828,953)	226,939	2,055,892
FUND BALANCE, BEGINNING	<u>1,828,953</u>	<u>1,828,953</u>	<u>1,891,715</u>	<u>62,762</u>
FUND BALANCE, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,118,654</u></u>	<u><u>\$ 2,118,654</u></u>

**CITY OF TROUTDALE, OREGON
 STP SITE REDEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES):				
Transfers out	\$ -	\$ (1,000)	\$ (33)	\$ 967
Net changes in fund balances	-	(1,000)	(33)	967
FUND BALANCE, BEGINNING	-	1,000	33	(967)
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF TROUTDALE, OREGON
POLICE FACILITY PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 350	\$ 350	\$ 871	\$ 521
Total revenues	350	350	871	521
EXPENDITURES:				
Capital outlay	52,019	52,019	-	52,019
Total expenditures	52,019	52,019	-	52,019
Net changes in fund balances	(51,669)	(51,669)	871	52,540
FUND BALANCES, BEGINNING	51,669	51,669	52,205	536
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,076</u>	<u>\$ 53,076</u>

**SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

Proprietary Funds

Water Fund

Water Improvement Fund

Water Fund Reconciliation of Budgetary Revenues and
Expenditures to Proprietary Revenues and Expenses

Sewer Fund

Debt Service Fund (business-type activity portion)

Sewer Improvement Fund

Sewer Fund Reconciliation of Budgetary Revenues and
Expenditures to Proprietary Revenues and Expenses

Storm Sewer Improvement Fund

Storm Sewer Utility Fund

Storm Sewer Fund Reconciliation of Budgetary Revenues and
Expenditures to Proprietary Revenues and Expenses

Public Services Fund

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

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 106,390	\$ 106,390
Charges for services	1,932,817	1,932,817	2,105,320	172,503
Investment earnings	83,304	83,304	26,404	(56,900)
Miscellaneous	1,000	1,000	2,907	1,907
Total revenues	2,017,121	2,017,121	2,241,021	223,900
EXPENDITURES:				
Personnel services	459,687	459,687	389,344	70,343
Materials and services	1,338,050	1,338,050	1,190,441	147,609
Capital outlay	741,900	741,900	579,857	162,043
Contingency	350,000	350,000	-	350,000
Total expenditures	2,889,637	2,889,637	2,159,642	729,995
Net changes in fund balances	(872,516)	(872,516)	81,379	953,895
FUND BALANCES, BEGINNING	969,803	969,803	1,165,291	195,488
FUND BALANCES, ENDING	\$ 97,287	\$ 97,287	\$ 1,246,670	\$ 1,149,383

**CITY OF TROUTDALE, OREGON
WATER IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 9,000	\$ 9,000	\$ 83,259	\$ 74,259
Investment earnings	100	100	6,971	6,871
Total revenues	9,100	9,100	90,230	81,130
EXPENDITURES:				
Materials and services	25,000	25,000	10,786	14,214
Capital outlay	35,000	35,000	437	34,563
Contingency	3,016	3,016	-	3,016
Total expenditures	63,016	63,016	11,223	51,793
Net changes in fund balances	(53,916)	(53,916)	79,007	132,923
FUND BALANCES, BEGINNING	53,916	53,916	63,323	9,407
FUND BALANCES, ENDING	\$ -	\$ -	\$ 142,330	\$ 142,330

CITY OF TROUTDALE, OREGON
WATER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2018

	Revenues	Expenditures/ Expenses
Water Fund	\$ 2,241,021	\$ 2,159,642
Water Improvement Fund	90,230	11,223
Total (Budgetary)	2,331,251	2,170,865
Capital outlay expenditures capitalized	-	(620,268)
Depreciation expense	-	429,847
Pension expense	-	(41,049)
Net change in accrued compensated absences	-	4,099
	-	-
Revenues and expenses (GAAP)	\$ 2,331,251	\$ 1,943,494

**CITY OF TROUTDALE, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 3,023,164	\$ 3,023,164	\$ 3,087,338	\$ 64,174
Investment earnings	6,000	6,000	33,099	27,099
Miscellaneous	1,000	1,000	10,444	9,444
	<u>3,030,164</u>	<u>3,030,164</u>	<u>3,130,881</u>	<u>100,717</u>
EXPENDITURES:				
Personnel services	530,902	530,902	511,887	19,015
Materials and services	2,052,505	2,052,505	1,744,111	308,394
Capital outlay	580,000	580,000	118,225	461,775
Contingency	850,000	850,000	-	850,000
	<u>4,013,407</u>	<u>4,013,407</u>	<u>2,374,223</u>	<u>1,639,184</u>
Revenues over (under) expenditures	(983,243)	(983,243)	756,658	1,739,901
OTHER FINANCING SOURCES (USES):				
Transfers out	(359,632)	(359,632)	(359,632)	-
	<u>(359,632)</u>	<u>(359,632)</u>	<u>(359,632)</u>	<u>-</u>
Net changes in fund balances	(1,342,875)	(1,342,875)	397,026	1,739,901
FUND BALANCES, BEGINNING	<u>1,865,257</u>	<u>1,865,257</u>	<u>2,209,883</u>	<u>344,626</u>
FUND BALANCES, ENDING	<u>\$ 522,382</u>	<u>\$ 522,382</u>	<u>\$ 2,606,909</u>	<u>\$ 2,084,527</u>

CITY OF TROUTDALE, OREGON
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes				
Current Year	\$ 1,102,573	\$ 1,102,573	\$ 1,113,172	\$ 10,599
Prior Year	5,000	5,000	20,443	15,443
Investment earnings	100	100	13,538	13,438
	<u>1,107,673</u>	<u>1,107,673</u>	<u>1,147,153</u>	<u>39,480</u>
EXPENDITURES:				
Debt Service:				
Principal	1,500,000	1,500,000	1,500,000	-
Interest	312,985	312,985	312,985	-
	<u>1,812,985</u>	<u>1,812,985</u>	<u>1,812,985</u>	<u>-</u>
Revenues over (under) expenditures	(705,312)	(705,312)	(665,832)	39,480
OTHER FINANCING SOURCES (USES):				
Transfers in	534,632	534,632	534,632	-
	<u>534,632</u>	<u>534,632</u>	<u>534,632</u>	<u>-</u>
Total other financing sources (uses)	(170,680)	(170,680)	(131,200)	39,480
Net changes in fund balances	(170,680)	(170,680)	(131,200)	39,480
FUND BALANCES, BEGINNING	<u>445,854</u>	<u>445,854</u>	<u>496,075</u>	<u>50,221</u>
FUND BALANCES, ENDING	<u>\$ 275,174</u>	<u>\$ 275,174</u>	<u>\$ 364,875</u>	<u>\$ 89,701</u>

**CITY OF TROUTDALE, OREGON
SEWER IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 40,000	\$ 40,000	\$ 512,880	\$ 472,880
Investment earnings	100	100	12,642	12,542
Total revenues	<u>40,100</u>	<u>40,100</u>	<u>525,522</u>	<u>485,422</u>
EXPENDITURES:				
Materials and Services	25,000	25,000	286	24,714
Capital Outlay	30,000	30,000	-	30,000
Contingency	129,034	129,034	-	129,034
Total expenditures	<u>184,034</u>	<u>184,034</u>	<u>286</u>	<u>183,748</u>
Net changes in fund balances	(143,934)	(143,934)	525,236	669,170
FUND BALANCES, BEGINNING	<u>143,934</u>	<u>143,934</u>	<u>231,481</u>	<u>87,547</u>
FUND BALANCES, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 756,717</u></u>	<u><u>\$ 756,717</u></u>

CITY OF TROUTDALE, OREGON
SEWER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2018

	<u>Revenues</u>	<u>Expenditures/ Expenses</u>
Sewer Fund	\$ 3,130,881	\$ 2,374,223
Debt Service Fund	1,147,153	1,812,985
Sewer Improvement Fund	525,522	286
Total	<u>4,803,556</u>	<u>4,187,494</u>
Depreciation expense	-	584,722
Capital outlay	-	(57,325)
Loss on sale of capital asset	(104,770)	-
Net change in accrued compensated absences	-	(2,644)
Change in unavailable property taxes	(18,382)	-
Interest	-	(4,060)
Pension expense	-	(41,049)
Bond Premium and Discount Amortization	-	14,147
Payment of bond principal	<u>-</u>	<u>(1,235,000)</u>
Revenues and expenses	\$ 4,680,404	\$ 3,446,285

**CITY OF TROUTDALE, OREGON
 STORM SEWER IMPROVEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 10,000	\$ 10,000	\$ 1,058,359	\$ 1,048,359
Investment earnings	7,000	7,000	37,178	30,178
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>1,095,537</u>	<u>1,078,537</u>
EXPENDITURES:				
Materials and services	35,000	35,000	286	34,714
Capital outlay	610,000	610,000	535,000	75,000
Contingency	962,530	962,530	-	962,530
Total expenditures	<u>1,607,530</u>	<u>1,607,530</u>	<u>535,286</u>	<u>1,072,244</u>
Net changes in fund balances	(1,590,530)	(1,590,530)	560,251	2,150,781
FUND BALANCES, BEGINNING	<u>1,590,530</u>	<u>1,590,530</u>	<u>1,825,176</u>	<u>234,646</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,385,427</u>	<u>\$ 2,385,427</u>

**CITY OF TROUTDALE, OREGON
STORM SEWER UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 616,972	\$ 616,972	\$ 618,967	\$ 1,995
Investment earnings	500	500	592	92
Miscellaneous	5,000	5,000	445	(4,555)
Total revenues	622,472	622,472	620,004	(2,468)
EXPENDITURES:				
Personnel services	179,696	179,696	167,987	11,709
Materials and services	437,132	437,132	395,431	41,701
Capital outlay	225,000	275,000	271,815	3,185
Contingency	126,401	76,401	-	76,401
Total expenditures	968,229	968,229	835,233	132,996
Revenues over (under) expenditures	(345,757)	(345,757)	(215,229)	130,528
OTHER FINANCING SOURCES (USES):				
Transfers In	165,000	165,000	165,000	-
Total other financing sources (uses)	165,000	165,000	165,000	-
Net changes in fund balances	(180,757)	(180,757)	(50,229)	130,528
FUND BALANCES, BEGINNING	180,757	180,757	247,183	66,426
FUND BALANCES, ENDING	\$ -	\$ -	\$ 196,954	\$ 196,954

**CITY OF TROUTDALE, OREGON
STORM SEWER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2018**

	<u>Revenues</u>	<u>Expenditures/ Expenses</u>
Storm Sewer Improvement Fund	\$ 1,095,537	\$ 535,286
Storm Sewer Utility Fund	620,004	835,233
Total	<u>1,715,541</u>	<u>1,370,519</u>
Depreciation expense	-	260,136
Capital outlay	-	(803,562)
Pension expense	-	(18,658)
Net change in accrued compensated absences	-	4,633
	<u>-</u>	<u>4,633</u>
Revenues and expenses	\$ 1,715,541	\$ 813,068

**CITY OF TROUTDALE, OREGON
INTERNAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 1,700,432	\$ 1,700,432	\$ 1,662,625	\$ (37,807)
Licenses and permits	4,556	4,556	51,858	47,302
Investment earnings	1,000	1,000	11,202	10,202
Miscellaneous	-	-	11	11
Total revenues	1,705,988	1,705,988	1,725,696	19,708
EXPENDITURES:				
Equipment maintenance	316,803	316,803	285,469	31,334
Public works management	1,335,854	1,335,854	1,266,634	69,220
Contingency	257,750	257,750	-	257,750
Total expenditures	1,910,407	1,910,407	1,552,103	358,304
Net Changes in fund balances	(204,419)	(204,419)	173,593	378,012
FUND BALANCES, BEGINNING	204,419	204,419	458,011	253,592
FUND BALANCES, ENDING	\$ -	\$ -	\$ 631,604	\$ 631,604

CITY OF TROUTDALE, OREGON
PUBLIC SERVICES FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2018

	<u>Revenues</u>	<u>Expenditures/ Expenses</u>
Public Services Fund	\$ 1,725,696	\$ 1,552,103
Total	1,725,696	1,552,103
Transfers	-	-
Revenues and expenses	\$ 1,725,696	\$ 1,552,103

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

CITY OF TROUTDALE, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2018

Governmental funds capital assets:

Land	\$	5,867,327
Intangibles		45,942
Land improvements		4,858,330
Buildings and building improvements		10,799,121
Equipment		1,447,650
Infrastructure		25,188,554
Work in process		<u>255,302</u>
Total governmental funds capital assets	\$	<u><u>48,462,226</u></u>

Investments in governmental capital assets by source:

Balance, July 1, 2017	\$	45,671,236
Net changes provided by:		
General fund		2,420,083
Parks		298,635
Public Safety		-
Public Works		-
Streets		<u>72,272</u>
Total		<u>2,790,990</u>
Total governmental funds capital assets	\$	<u><u>48,462,226</u></u>

CITY OF TROUTDALE, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2018

	<u>Land and Land Improvements and Intangibles</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Work in Progress</u>	<u>Total</u>
General Government	\$ 3,689,496	\$ 1,138,972	\$ 339,686	\$ -	\$ -	\$ 5,168,154
Community Development	6,221,965	2,198,023	548,022	443,959	255,302	9,667,271
Public Safety	115,781	7,425,333	175,217	-	-	7,716,331
Highways and Streets	<u>744,358</u>	<u>36,793</u>	<u>384,724</u>	<u>24,744,595</u>	<u>-</u>	<u>25,910,470</u>
Total Investment	<u>\$ 10,771,600</u>	<u>\$ 10,799,121</u>	<u>\$ 1,447,649</u>	<u>\$ 25,188,554</u>	<u>\$ 255,302</u>	<u>\$ 48,462,226</u>

CITY OF TROUTDALE, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended June 30, 2018

Function and Activity	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
General Government	\$ 2,748,072	\$ 2,473,649	\$ (53,567)	\$ 5,168,154
Community Development	9,368,636	345,507	(46,872)	9,667,271
Public Safety	7,716,331	-	-	7,716,331
Highways and Streets	<u>25,838,197</u>	<u>690,859</u>	<u>(618,586)</u>	<u>25,910,470</u>
Total Investment	<u>\$ 45,671,236</u>	<u>\$ 3,510,015</u>	<u>\$ (719,025)</u>	<u>\$ 48,462,226</u>

City of Troutdale, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

June 30, 2018

Tax Year	Taxes Uncollected July 1, 2017	Add Levy As Extended By Assessor	(Deduct) Discounts Allowed	Add Interest Adjustments	Add (Deduct) Cancellations and Adjustments	(Deduct) Interest and Tax Collected	Taxes Uncollected June 30, 2018
2017-18	\$ -	\$ 6,837,147	\$ (179,741)	\$ 1,362	\$ (53,038)	\$ (6,502,012)	\$ 103,718
2016-17	129,162	-	18	1,801	(31,784)	(50,089)	49,108
2015-16	80,144	-	26	2,263	(25,810)	(19,608)	37,015
2014-15	62,631	-	13	3,102	(5,640)	(17,562)	42,544
2013-14	45,977	-	-	1,970	(3,435)	(9,619)	34,893
2012-13	33,719	-	-	306	(1,643)	(1,029)	31,353
2011-12	35,716	-	-	197	(3,369)	(573)	31,970
2010-11	19,964	-	-	80	(136)	(224)	19,684
2009-10	18,111	-	-	56	(105)	(150)	17,913
2008-09	636	-	-	49	(82)	(120)	483
2007-08 and prior	2,401	-	-	296	(290)	(621)	1,786
Total	\$ 428,461	\$ 6,837,147	\$ (179,684)	\$ 11,482	\$ (125,333)	\$ (6,601,606)	\$ 370,468

	Revenue Total	Receivable June 30, 2018
Governmental Funds	\$ 5,472,156	\$ 295,496
Proprietary Funds	1,115,233	74,973
Subtotal	6,587,389	\$ 370,469
Miscellaneous adjustments		
Change in property taxes subject to accrual	(54,307)	
Total taxes, tax penalties and interest	\$ 6,533,082	

**OTHER
INFORMATION**

City of Troutdale, Oregon

SCHEDULE OF DEBT PRINCIPAL TRANSACTIONS

June 30, 2018

	Interest Rate		Original Issue		Outstanding July 1, 2017	2017-2018 Transactions			Outstanding at June 30, 2018 Unmatured
			Date	Amount		Increases/ (Reductions)	Matured/ Called	Paid	
<u>General obligation bonds</u>									
WPCF Refunding Bonds, Series 2008	3.25-4	%	6-17-08	\$ <u>8,555,000</u>	\$ <u>1,235,000</u>	\$ <u>-</u>	\$ <u>1,235,000</u>	\$ <u>1,235,000</u>	\$ <u>-</u>
Police Facility Bonds, Series 2011	2.0-4.35	%	2-17-11	\$ <u>7,540,000</u>	\$ <u>6,195,000</u>	\$ <u>-</u>	\$ <u>265,000</u>	\$ <u>265,000</u>	\$ <u>5,930,000</u>
<u>COP Note Payable</u>									
P & F Building Loan	3.45	%	3-31-08	\$ <u>1,173,000</u>	\$ <u>138,000</u>	\$ <u>-</u>	\$ <u>138,000</u>	\$ <u>138,000</u>	\$ <u>-</u>
<u>Full Faith and Credit Obligation Bonds</u>									
Troutdale Riverfront Renewal Plan	3.15-3.59	%	3-1-18	\$ <u>5,000,000</u>	\$ <u>-</u>	\$ <u>5,000,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,000,000</u>

City of Troutdale, Oregon

SCHEDULE OF DEBT INTEREST TRANSACTIONS

June 30, 2018

	Issue Date	2017-2018 Transactions				Future Liability at June 30, 2018		
		Unmatured	Total	Increases/ (Reductions)	Matured	Paid	Unmatured	Total
<u>General obligation bonds</u>								
WPCF Refunding Bonds, Series 2008 3.25%-4% interest	6-17-08	\$ <u>49,400</u>	\$ <u>49,400</u>	\$ <u>-</u>	\$ <u>49,400</u>	\$ <u>49,400</u>	\$ <u>-</u>	\$ <u>-</u>
Police Facility Bonds, Series 2011 2.0%-4.35% interest	2-17-11	\$ <u>2,317,870</u>	\$ <u>2,317,870</u>	\$ <u>-</u>	\$ <u>263,585</u>	\$ <u>263,585</u>	\$ <u>2,054,285</u>	\$ <u>2,054,285</u>
<u>COP Note Payable</u>								
P & F Building Loan	3-31-08	\$ <u>2,380</u>	\$ <u>2,380</u>	\$ <u>-</u>	\$ <u>2,380</u>	\$ <u>2,380</u>	\$ <u>-</u>	\$ <u>-</u>
<u>Full Faith and Credit Obligation Bonds</u>								
Troutdale Riverfront Renewal Plan	3-1-18	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,386,431</u>	\$ <u>39,431</u>	\$ <u>39,431</u>	\$ <u>1,347,000</u>	\$ <u>1,347,000</u>

City of Troutdale, Oregon

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
OF GENERAL OBLIGATION BONDS

June 30, 2018

Year of Maturity	Police Facility Series 2011 Issued 2-17-2011	
	Principal	Interest
2018-19	\$ 290,000	\$ 253,698
2019-20	315,000	242,098
2020-21	340,000	229,498
2021-22	370,000	215,898
2022-23	400,000	201,098
2023-24	430,000	185,098
2024-25	465,000	167,898
2025-26	495,000	149,298
2026-27	535,000	129,498
2027-28	570,000	107,563
2028-29	610,000	83,908
2029-30	655,000	58,288
2030-31	<u>700,000</u>	<u>30,450</u>
	\$ <u><u>6,175,000</u></u>	\$ <u><u>2,054,285</u></u>

City of Troutdale, Oregon

SCHEDULE OF GENERAL GOVERNMENTAL REVENUES BY SOURCE
 BUDGETARY BASIS
 ALL GOVERNMENTAL FUND TYPES

Last ten fiscal years

(1) Fiscal year ended June 30,	Taxes	Intergovern- mental Revenues	Licenses and Permits	Fines and Forfeitures	Charges for Current Services	Franchise Fees	Assessment Collections	Total
2009	\$ 3,807,929	\$ 2,279,607	\$ 516,513	\$ 209,957	\$ 796,010	\$ 1,269,282	\$ 1,211,874	\$ 10,091,172
2010	4,495,720	1,656,814	381,506	353,827	351,583	1,308,156	1,020,628	9,568,234
2011	4,578,650	1,982,701	229,827	402,602	261,490	1,242,675	1,006,855	9,704,800
2012	4,638,551	2,043,778	276,682	359,776	318,235	1,279,355	1,072,325	9,988,702
2013	4,705,830	2,794,696	246,595	362,591	409,348	1,272,918	1,141,834	10,933,812
2014	4,910,416	2,237,890	356,378	339,269	344,131	1,276,287	1,189,477	10,653,848
2015	5,479,355	2,498,274	401,936	295,888	313,894	1,319,304	1,012,273	11,320,924
2016	5,879,695	2,617,629	269,583	222,053	60,110	1,332,446	1,441,518	11,823,034
2017	6,515,952	2,570,534	1,054,239	381,928	67,403	1,345,455	2,111,679	14,047,190
2018	7,107,336	2,867,310	1,742,901	235,011	874,578	1,397,703	2,258,970	16,483,809

(1) This schedule is presented on the budgetary basis. Statements and Schedules of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual are used to determine these amounts and supplemented by detailed financial records of the City.

City of Troutdale, Oregon

SCHEDULE OF GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
 BUDGETARY BASIS
 ALL GOVERNMENTAL FUND TYPES

Last ten fiscal years

(1) Fiscal year ended June 30,	General Government	Public Safety	Highways and Streets	Community Development	Solid Waste/ Recycling	Capital Outlay	Debt Service	Total
2009	\$ 2,040,359	\$ 4,780,944	\$ 705,840	\$ 1,708,006	\$ 22,958	\$ 1,062,479	\$ 133,830	\$ 10,454,416
2010	2,233,315	4,860,333	546,464	1,452,360	3,166	172,217	135,466	9,403,321
2011	2,120,597	5,201,680	782,891	1,360,661	8,139	364,552	136,930	9,975,450
2012	2,104,647	5,307,537	724,049	1,360,507	13,780	5,534,665	138,221	15,183,406
2013	2,088,156	5,240,764	786,038	1,295,030	13,517	2,788,459	139,340	12,351,304
2014	2,067,329	5,462,943	929,899	1,581,270	17,225	619,939	140,286	10,818,891
2015	2,182,269	5,677,030	732,538	1,617,532	15,114	307,304	142,093	10,673,880
2016	2,101,025	5,572,587	977,486	1,649,501	14,832	616,417	143,843	11,075,691
2017	2,281,365	5,391,943	731,374	2,000,360	9,257	344,192	145,354	10,903,845
2018	2,542,026	5,552,528	1,001,291	2,374,536	14,297	3,312,230	183,330	14,980,238

(1) This schedule is presented on the budgetary basis. Statements and Schedules of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual are used to determine these amounts and supplemented by detailed financial records of the City.

City of Troutdale, Oregon

SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS

Fiscal year ended June 30, 2018

Oregon Revised Statutes section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. The statement is a presentation of the beginning balances, receipts, disbursements, refunds, and turnovers to the appropriate governmental official, reconciled to cash on hand at the beginning and end of the audit period.

In compliance with ORS 297, there are no independently elected officials that collect or receive money on behalf of the City of Troutdale.

STATISTICAL SECTION

This part of the City of Troutdale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall health.

Pages

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.

92-96

Revenue Capacity

These schedules contain trend information to help the reader assess the City's local revenue source, the property tax.

97-100

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

101-104

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

105-109

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

110-111

CITY OF TROUTDALE , OREGON
NET ASSETS BY COMPONENT
Last Ten Fiscal Years Ending June 30th
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 12,296,699	\$ 12,618,818	\$ 5,149,917	\$ 10,813,733	\$ 11,681,650	\$ 11,679,907	\$ 10,979,510	\$ 11,576,791	\$ 11,304,143	\$ 8,767,186
Restricted	419,279	97,144	10,864,094	6,788,007	5,338,679	5,478,484	5,893,683	5,886,401	7,647,283	11,091,412
Unrestricted	7,271,820	7,697,747	4,302,031	1,151,803	3,056,564	3,110,090	2,775,525	1,610,901	1,255,451	4,171,911
Total governmental activities net assets	\$ 19,987,798	\$ 20,413,709	\$ 20,316,042	\$ 18,753,543	\$ 20,076,893	\$ 20,268,481	\$ 19,648,718	\$ 19,074,093	\$ 20,206,877	\$ 24,030,509
Business-type activities										
Net investment in capital assets	\$ 27,192,212	\$ 26,758,247	\$ 26,309,662	\$ 25,923,958	\$ 26,034,221	\$ 30,043,118	\$ 29,873,029	\$ 30,273,275	\$ 30,214,400	\$ 31,536,933
Restricted	2,496,813	2,256,533	2,278,696	2,056,152	1,147,530	2,332,344	2,374,868	2,044,059	2,121,132	3,288,474
Unrestricted	2,606,022	2,835,946	2,965,237	3,220,411	4,392,238	3,449,058	3,417,969	2,116,593	3,323,380	3,871,447
Total business-type activities net assets	\$ 32,295,047	\$ 31,850,726	\$ 31,553,595	\$ 31,200,521	\$ 31,573,989	\$ 35,824,520	\$ 35,665,866	\$ 34,433,927	\$ 35,658,912	\$ 38,696,854
Primary government										
Net investment in capital assets	\$ 39,488,911	\$ 39,377,065	\$ 31,459,579	\$ 36,737,691	\$ 37,715,871	\$ 41,723,025	\$ 40,852,539	\$ 41,850,066	\$ 41,518,543	\$ 40,304,119
Restricted	2,916,092	2,353,677	13,142,790	8,844,159	6,486,209	7,810,828	8,268,551	7,930,460	9,768,415	14,379,886
Unrestricted	9,877,842	10,533,693	7,267,268	4,372,214	7,448,802	6,559,148	6,193,494	3,727,494	4,578,831	8,043,358
Total primary government net assets	\$ 52,282,845	\$ 52,264,435	\$ 51,869,637	\$ 49,954,064	\$ 51,650,882	\$ 56,093,001	\$ 55,314,584	\$ 53,508,020	\$ 55,865,789	\$ 62,727,363

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34.

CITY OF TROUTDALE , OREGON
CHANGES IN NET ASSETS
Last Ten Fiscal Years Ending June 30th
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 2,244,169	\$ 2,474,134	\$ 2,207,978	\$ 2,290,744	\$ 1,980,493	\$ 1,875,390	\$ 2,016,349	\$ 2,251,403	\$ 2,366,482	\$ 2,344,521
Public safety	5,479,783	5,145,857	5,081,873	6,030,937	4,760,654	5,365,424	5,235,720	6,536,118	6,272,781	5,767,448
Highways and streets	809,014	578,566	1,427,173	1,419,589	1,239,829	1,408,175	1,166,959	1,519,782	1,179,564	1,319,285
Solid waste/recycling	26,314	3,352	8,165	15,320	28,845	15,945	13,375	16,926	10,465	14,408
Community development	1,957,668	1,537,680	900,494	1,818,625	1,580,808	1,812,461	1,780,461	2,204,802	2,579,361	2,565,323
Interest on long-term debt	38,591	85,879	86,643	16,125	20,900	1,379	15,454	11,020	6,215	37,488
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>10,555,539</u>	<u>9,825,468</u>	<u>9,712,326</u>	<u>11,591,340</u>	<u>9,611,529</u>	<u>10,478,774</u>	<u>10,228,318</u>	<u>12,540,051</u>	<u>12,414,868</u>	<u>12,048,473</u>
Business-type activities:										
Water	\$ 1,806,634	\$ 1,783,764	\$ 1,941,720	\$ 2,019,228	\$ 1,882,941	\$ 1,887,225	\$ 1,696,706	\$ 2,409,035	\$ 1,975,540	\$ 1,837,104
Sewer	2,480,974	2,577,321	2,714,223	3,306,348	3,180,079	3,343,454	3,087,108	4,066,368	3,262,115	3,446,285
Storm sewer	356,319	423,444	685,874	566,641	449,292	461,676	614,969	1,303,614	835,776	813,068
Public services	926,672	945,183	891,327	961,728	942,509	1,081,187	1,108,024	1,336,509	1,333,159	1,552,103
Total business-type activities expenses	<u>5,570,599</u>	<u>5,729,712</u>	<u>6,233,144</u>	<u>6,853,945</u>	<u>6,454,821</u>	<u>6,773,542</u>	<u>6,506,807</u>	<u>9,115,526</u>	<u>7,406,590</u>	<u>7,648,560</u>
Total primary government expenses	<u>\$ 16,126,138</u>	<u>\$ 15,555,180</u>	<u>\$ 15,945,470</u>	<u>\$ 18,445,285</u>	<u>\$ 16,066,350</u>	<u>\$ 17,252,316</u>	<u>\$ 16,735,125</u>	<u>\$ 21,655,577</u>	<u>\$ 19,821,458</u>	<u>\$ 19,697,033</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 795,134	\$ 913,289	\$ 463,477	\$ 323,000	\$ 275,880	\$ 397,213	\$ 325,671	\$ 69,903	\$ 55,717	\$ 57,058
Other activities	9,777	7,593	7,650	7,875	7,875	8,175	7,875	600	2,700	-
Operating grants and contributions	676,716	641,179	744,784	802,626	914,475	889,969	929,972	963,559	974,986	1,051,943
Capital grants and contributions	140,912	481,516	10,406	2,508	53,745	50,397	57,550	509,705	57,376	865,435
Total governmental activities program revenues	<u>1,622,539</u>	<u>2,043,577</u>	<u>1,226,317</u>	<u>1,136,009</u>	<u>1,251,975</u>	<u>1,345,754</u>	<u>1,321,068</u>	<u>1,543,767</u>	<u>1,090,779</u>	<u>1,974,436</u>
Business-type activities:										
Charges for services:										
Water	1,410,442	1,581,316	1,339,871	1,397,723	1,508,663	1,443,755	1,429,516	1,670,061	1,699,038	2,105,320
Sewer	2,091,078	2,179,348	2,180,436	2,290,594	2,380,969	2,471,898	2,575,013	2,777,232	2,895,792	3,087,338
Storm sewer	197,162	196,743	197,412	214,480	231,036	240,270	251,092	319,224	380,035	618,967
Public services	24,095	842,452	975,025	1,021,826	1,024,115	1,029,977	973,584	1,323,756	1,638,251	1,714,483
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	228,607	1,729,149	108,618	161,711	40,867	63,281	4,176,323	52,032	104,379	1,654,498
Total business-type activities program revenues	<u>3,951,384</u>	<u>6,529,008</u>	<u>4,801,362</u>	<u>5,086,334</u>	<u>5,185,650</u>	<u>5,249,181</u>	<u>9,405,528</u>	<u>6,142,305</u>	<u>6,717,495</u>	<u>9,180,606</u>
Total primary government program revenues	<u>\$ 5,573,923</u>	<u>\$ 8,572,585</u>	<u>\$ 6,027,679</u>	<u>\$ 6,222,343</u>	<u>\$ 6,437,625</u>	<u>\$ 6,594,935</u>	<u>\$ 10,726,596</u>	<u>\$ 7,686,072</u>	<u>\$ 7,808,274</u>	<u>\$ 11,155,042</u>

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net(expense)/revenue										
Governmental activities	\$ (7,781,891)	\$ (8,486,009)	\$ (10,455,331)	\$ (8,359,554)	\$ (9,133,020)	\$ (8,907,250)	\$ (8,915,124)	\$ (10,996,284)	\$ (11,324,089)	\$ (10,074,037)
Business-type activities	799,296	(1,431,782)	(1,767,611)	(1,269,171)	(1,524,361)	2,898,721	(1,037,004)	(2,973,221)	(689,095)	1,532,046
Total primary government net expense	<u>\$ (6,982,595)</u>	<u>\$ (9,917,791)</u>	<u>\$ (12,222,942)</u>	<u>\$ (9,628,725)</u>	<u>\$ (10,657,381)</u>	<u>\$ (6,008,529)</u>	<u>\$ (9,952,128)</u>	<u>\$ (13,969,505)</u>	<u>\$ (12,013,184)</u>	<u>\$ (8,541,991)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 3,807,929	\$ 3,956,364	\$ 4,100,036	\$ 4,196,608	\$ 4,198,071	\$ 4,389,337	\$ 4,862,600	\$ 4,945,564	\$ 5,218,664	\$ 5,417,849
Franchise taxes	1,269,282	1,308,156	1,242,675	1,279,355	1,272,918	1,276,287	1,319,304	1,332,446	1,345,455	1,397,703
Business income taxes	1,312,523	657,704	716,750	670,940	708,606	789,670	875,509	1,118,817	1,054,570	1,185,784
Hotel taxes	414,443	402,806	429,249	427,973	451,708	480,624	47,516	718,344	738,182	724,913
Liquor taxes	186,331	174,967	182,575	204,188	213,221	224,251	577,726	230,109	245,594	256,000
Cigarette taxes	24,312	22,674	20,911	23,354	22,735	21,545	21,382	21,140	20,367	19,813
Solid waste taxes	50,203	52,465	56,310	54,109	57,118	56,968	58,114	64,176	64,278	74,054
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	148,990	54,186	56,150	74,488	54,752	45,229	45,229	61,068	114,463	258,228
Miscellaneous	1,004,940	1,835,854	1,809,260	1,845,851	2,609,996	2,065,383	2,219,435	1,929,995	3,655,300	4,780,722
Gain on sale of capital assets	-	-	(135,266)	-	-	-	-	-	-	-
Transfers	13,727	(15,000)	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 8,232,680</u>	<u>\$ 8,450,176</u>	<u>\$ 8,478,650</u>	<u>\$ 8,776,866</u>	<u>\$ 9,589,125</u>	<u>\$ 9,349,294</u>	<u>\$ 10,026,816</u>	<u>\$ 10,421,659</u>	<u>\$ 12,456,873</u>	<u>\$ 14,115,066</u>
Business-type activities:										
Taxes										
Property taxes	641,663	653,165	721,442	1,274,401	1,431,836	1,459,418	1,409,806	1,320,157	1,306,567	1,115,233
Investment earnings	110,273	36,579	25,830	28,190	30,758	30,761	30,100	42,170	67,792	142,071
Miscellaneous	18,844	93,082	102,407	12,630	116,514	128,366	47,957	26,955	21,721	(91,408)
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	15,000	-	-	-	-	-	352,000	518,000	340,000
Total business-type activities	<u>770,780</u>	<u>797,826</u>	<u>849,679</u>	<u>1,315,221</u>	<u>1,579,108</u>	<u>1,618,545</u>	<u>1,487,863</u>	<u>1,741,282</u>	<u>1,914,080</u>	<u>1,505,896</u>
Total primary government	<u>\$ 9,003,460</u>	<u>\$ 9,248,002</u>	<u>\$ 9,328,329</u>	<u>\$ 10,092,087</u>	<u>\$ 11,168,233</u>	<u>\$ 10,967,839</u>	<u>\$ 11,514,679</u>	<u>\$ 12,162,941</u>	<u>\$ 14,370,953</u>	<u>15,620,962</u>
Change in Net Assets										
Governmental activities	\$ 450,789	\$ (35,833)	\$ (1,976,681)	\$ 417,312	\$ 456,105	\$ 442,044	\$ 1,111,692	\$ (574,625)	\$ 1,132,784	\$ 4,041,029
Business-type activities	1,570,076	(633,956)	(917,932)	46,050	54,747	4,517,266	450,859	(1,231,939)	1,224,985	3,037,942
Total primary government	<u>\$ 2,020,865</u>	<u>\$ (669,789)</u>	<u>\$ (2,894,613)</u>	<u>\$ 463,362</u>	<u>\$ 510,852</u>	<u>\$ 4,959,310</u>	<u>\$ 1,562,551</u>	<u>\$ (1,806,564)</u>	<u>\$ 2,357,769</u>	<u>\$ 7,078,971</u>

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34.

CITY OF TROUTDALE , OREGON
FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ending June 30th
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved (pre GASB #54)	\$ 356,254	\$ 356,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved (pre GASB #54)	3,405,819	3,525,521	-	-	-	-	-	-	-	-
<i>GASB No. 54 Categories:</i>										
Nonspendable	-	-	2,326	1,973	4,234	4,763	4,684	2,135	13,286	8,683
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	54,000	54,000	-	-	-	-	-	-
Unassigned	-	-	3,578,983	3,620,883	3,728,007	3,700,166	4,073,773	4,543,953	5,475,619	10,780,053
Total general fund	\$ 3,762,073	\$ 3,881,775	\$ 3,635,309	\$ 3,676,856	\$ 3,732,241	\$ 3,704,929	\$ 4,078,457	\$ 4,546,088	\$ 5,488,905	\$ 10,788,736
All other governmental funds										
Reserved (pre GASB #54)	\$ 29,602	\$ 63,025	\$ 97,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds (pre GASB #54)	1,115,154	973,682	946,312	-	-	-	-	-	-	-
Capital project funds (pre GASB #54)	2,595,186	2,892,319	2,915,781	-	-	-	-	-	-	-
Permanent funds (pre GASB #54)	-	-	-	-	-	-	-	-	-	-
<i>GASB No. 54 Categories:</i>										
Nonspendable	-	-	-	13,233	11,607	13,079	12,134	12,259	9,818	13,758
Restricted	-	-	-	11,776,026	6,825,730	5,338,679	5,478,484	5,893,683	5,886,401	11,091,412
Assigned	-	-	-	21,768	(37,723)	-	-	-	-	-
Unassigned	-	-	-	(156,207)	(222,158)	(247,179)	(481,797)	(623,605)	(686,170)	(3,348,853)
Total all other governmental funds	\$ 3,739,942	\$ 3,929,026	\$ 3,959,237	\$ 11,654,820	\$ 6,577,456	\$ 5,104,579	\$ 5,008,821	\$ 5,282,337	\$ 5,210,049	\$ 7,756,317

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34.

CITY OF TROUTDALE , OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ending June 30th
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 5,077,211	\$ 5,749,690	\$ 5,821,325	\$ 5,917,906	\$ 5,978,748	\$ 6,186,703	\$ 6,798,659	\$ 7,212,141	\$ 7,861,407	\$ 1,742,901
Licenses and permits	516,513	381,506	229,827	276,682	246,595	356,378	401,936	269,583	1,054,239	235,011
Intergovernmental	2,593,522	1,656,814	1,982,701	2,043,778	2,794,696	2,237,890	2,498,274	2,617,629	2,570,534	258,228
Charges for services	796,010	351,583	261,490	318,235	409,348	344,131	313,894	60,110	67,403	2,000,742
Fines	209,957	353,827	402,602	359,776	362,591	339,269	295,888	222,053	381,928	874,578
Investment earnings	148,990	54,186	56,150	74,488	54,752	45,229	47,516	61,068	114,463	2,867,310
Miscellaneous	748,969	1,020,628	950,705	997,837	1,087,082	1,144,248	964,757	1,380,450	1,997,216	8,505,039
Total revenues	10,091,172	9,568,234	9,704,800	9,988,702	10,933,812	10,653,848	11,320,924	11,823,034	14,047,190	16,483,809
Expenditures										
General government	2,040,359	2,233,315	2,120,597	2,104,647	2,088,156	2,067,329	2,182,269	2,101,025	2,281,365	2,542,026
Public safety	4,780,944	4,860,333	5,201,680	5,307,537	5,240,764	5,462,943	5,677,030	5,572,587	5,391,943	5,552,528
Highways and streets	705,840	546,464	782,891	724,049	786,038	929,899	732,538	977,486	731,374	1,001,291
Solid waste/recycling	22,958	3,166	8,139	13,780	13,517	17,225	15,114	14,832	9,257	14,297
Community development	1,708,006	1,452,360	1,360,661	1,360,507	1,295,030	1,581,270	1,617,532	1,649,501	2,000,360	2,374,536
Capital outlay	1,062,479	172,217	364,552	5,534,665	2,788,459	619,939	307,304	616,417	344,192	3,312,230
Debt service										
Principal	95,000	100,000	105,000	110,000	115,000	120,000	126,033	132,182	138,264	141,518
Interest	38,830	35,466	31,930	28,221	24,340	20,286	16,060	11,661	7,090	41,812
Total expenditures	10,454,416	9,403,321	9,975,450	15,183,406	12,351,304	10,818,891	10,673,880	11,075,691	10,903,845	14,980,238
Excess of revenues over (under) expenditures	(363,244)	164,913	(270,650)	(5,194,704)	(1,417,492)	(165,043)	647,044	747,343	3,143,345	1,503,571
Other financing sources (uses)										
Transfers in	308,775	152,056	482,104	138,000	143,000	141,000	142,000	142,000	142,100	257,876
Transfers out	(295,048)	(167,056)	(482,104)	(138,000)	(143,000)	(141,000)	(142,000)	(494,000)	(660,100)	(597,876)
Capital leases proceeds	-	-	114,105	158,887	-	41,973	-	-	-	-
Bond proceeds	-	-	7,540,000	-	-	-	-	-	-	5,000,000
Bonds premium	-	-	65,662	-	-	-	-	-	-	-
Total other financing sources (uses)	13,727	(15,000)	7,719,767	158,887	-	41,973	-	(352,000)	(518,000)	4,660,000
Net change in fund balances	\$ (349,517)	\$ 149,913	\$ 7,449,117	\$ (5,035,817)	\$ (1,417,492)	\$ (123,070)	\$ 647,044	\$ 395,343	\$ 2,625,345	\$ 6,163,571
Debt service as a percentage of noncapital expenditures	1.4%	1.5%	1.4%	1.5%	1.5%	1.4%	1.4%	1.4%	1.4%	1.6%

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34.

CITY OF TROUTDALE , OREGON
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years Ending June 30th

Assessed Value ¹													
Fiscal Year Ended	Real Property					Total Real Property	Personal Property	Manufactured Property	Public Utilities Property	Total	Total Real Market Value	Ratio of Total Assessed Value to Total Real Market Value	Total City Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property									
2009	\$ 671,196,810	\$ 170,212,610	\$ 38,397,830	\$ 55,947,030	\$ 935,754,280	\$ 30,404,405	\$ 9,312,120	\$ 25,564,310	\$ 1,001,035,115	\$ 1,629,878,407	61.42%	4.43	
2010	724,460,240	132,033,070	95,566,630	58,252,340	1,010,312,280	30,827,601	10,750,860	30,057,100	1,081,947,841	1,855,868,519	58.30%	4.41	
2011	748,603,040	135,205,020	102,409,550	55,708,990	1,041,926,600	28,481,859	10,538,230	30,086,170	1,111,032,859	1,824,028,187	60.91%	4.47	
2012	750,287,090	138,073,440	105,218,010	57,320,510	1,050,899,050	30,835,046	10,518,970	37,638,877	1,129,891,943	1,731,455,887	65.26%	4.98	
2013	735,543,050	198,583,360	19,993,540	68,507,590	1,022,627,540	50,886,853	9,312,620	39,162,900	1,121,989,913	1,711,308,740	65.56%	5.16	
2014	767,084,170	212,904,330	19,566,760	61,056,060	1,060,611,320	53,724,870	9,628,180	40,383,830	1,164,348,200	1,729,071,950	67.34%	5.16	
2015	807,457,540	267,671,940	19,354,720	62,446,640	1,156,930,840	79,633,140	9,635,280	43,185,990	1,289,385,250	1,904,289,273	67.71%	5.00	
2016	833,060,570	263,739,740	19,145,910	64,346,310	1,180,292,530	82,551,860	11,255,730	46,033,700	1,320,133,820	1,985,287,321	66.50%	4.87	
2017	859,236,490	274,626,400	15,759,960	66,272,230	1,215,895,080	89,002,700	12,687,070	77,829,200	1,395,414,050	2,128,241,371	65.57%	4.80	
2018	889,103,470	289,950,500	15,562,390	67,726,240	1,262,342,600	80,886,545	13,530,170	101,609,600	1,458,368,915	2,402,175,197	60.71%	4.64	

Source: Multnomah County Division of Assessment and Taxation.

¹ Properties are assessed annually by the County (residential properties) and the State (major commercial properties). Real market values are based on those assessments. Oregon voters approved Ballot Measure 50 in May of 1997, which established a base for property values (the assessed values shown) and limited future increases to three percent per year, regardless of actual market values. New construction is valued equivalent to existing assessed properties by applying a changed property ratio to real market values of the construction as determined by the assessors. (Sal7a)

CITY OF TROUTDALE , OREGON
PROPERTY TAX RATES ¹
DIRECT AND OVERLAPPING ² GOVERNMENTS
Last Ten Fiscal Years Ending June 30th

Fiscal Year	CITY OF TROUTDALE , OREGON				Overlapping Rates							Total Direct & Overlapping Rates			
	Operating	Debt Service	Urban Renewal Agency		Regional & County				School District						
			Total City	Multnomah County	Port of Portland	Metro Service District	Tri-Met	Soil Conservation District	Total Regional & County	Multnomah County ESD	Reynolds School District		Mt. Hood Community College	Total Schools	
2009	3.76	0.64	0.03	4.43	5.38	0.07	0.40	0.08	0.09	6.02	0.46	5.80	0.49	6.75	17.20
2010	3.76	0.62	0.04	4.41	5.39	0.07	0.44	0.09	0.10	6.08	0.46	5.59	0.49	6.54	17.04
2011	3.75	0.67	0.04	4.47	5.37	0.07	0.41	0.09	0.10	6.04	0.46	5.58	0.49	6.53	17.03
2012	3.75	1.16	0.07	4.98	5.42	0.07	0.31	0.06	0.10	5.96	0.46	5.75	0.49	6.70	17.64
2013	3.74	1.31	0.10	5.16	5.40	0.07	0.40	-	0.10	5.97	0.45	5.95	0.49	6.89	18.02
2014	3.74	1.29	0.13	5.16	5.65	0.07	0.47	-	0.10	6.29	0.45	5.97	0.49	6.92	18.36
2015	3.73	1.12	0.14	5.00	5.63	0.07	0.46	-	0.10	6.25	0.45	5.77	0.49	6.71	17.96
2016	3.74	1.03	0.10	4.87	5.63	0.07	0.39	-	0.09	6.18	0.45	5.94	0.49	6.88	17.93
2017	3.74	0.96	0.09	4.80	5.54	0.07	0.40	-	0.01	6.02	0.46	6.02	0.49	6.96	17.78
2018	3.74	0.80	0.10	4.64	5.54	0.07	0.41	-	0.09	6.11	0.45	6.26	0.49	7.20	17.95

Source: Multnomah County Division of Assessment and Taxation.

¹ In May of 1997 Oregon voters approved Ballot Measure 50 which established permanent tax rates for local taxing districts. Changes to permanent rates would require a state-wide majority vote to remove the effects of the measure from the Oregon constitution. Special levies, with certain restrictions, can be added to permanent rates by vote within each district.

² Overlapping rates are the tax rates of various local and county governments that apply to property owners within the City of Troutdale, for Levy Code Area 242. Not all overlapping rates apply to all City of Troutdale property owners (e.g., the rates for special districts apply only to the proportion of the City of Troutdale's property owners whose property is located within the geographic boundaries of the special district).

**CITY OF TROUTDALE , OREGON
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2018**

Taxpayer	2017-2018			2008-2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
FEDEX GROUND PACKAGE SYSTEM, INC	\$ 94,976,880	1	6.5%			
COMCAST CORPORATION	60,954,500	2	4.2%			
AUSTELL COLUMBIA GOG	23,619,750	3	1.6%			
PORTLAND GENERAL ELECTRIC	15,077,000	4	1.0%	\$ 8,429,000	8	0.8%
TOYO TANSO USA, INC	14,683,110	5	1.0%	16,817,920	2	1.7%
MOUNTAIN MEADOWS COMMUNITY, ICN	12,690,450	6	0.9%	9,726,220	5	1.0%
BURLINGAME DEVELOPMENT INC	12,627,670	7	0.9%	9,066,270	6	0.9%
MGPX PROPERTIES	11,044,050	8	0.8%			
TOUTDALE TERRACE	10,304,650	9	0.7%	7,897,750	9	0.8%
HPT TA PROPERTIES LLC	9,414,720	10	0.6%			
MCW-RC OR-Cherry Park LLC						
CHELSEA GCA REALTY PARTNERSHIP				18,111,990	1	1.8%
PORT OF PORTLAND				11,932,200	3	1.2%
RED SHED PROPERTIES, LLC				10,070,200	4	1.0%
MCW-RC OR CHERRY PARK LLC				8,869,720	7	0.9%
TUBE SPECIALTIES,				7,565,670	10	0.8%
Totals	<u>\$265,392,780</u>		<u>18.3%</u>	<u>\$ 108,486,940</u>		<u>10.8%</u>

Source: Multnomah County Division of Assessment and Taxation.

CITY OF TROUTDALE , OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years Ending June 30th

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Current Tax Collections	Percentage of Levy	Delinquent Tax Collections	Amount	Percentage of Levy
2009	\$ 4,643,517	\$ 4,345,859	93.6%	\$ 297,174	\$ 4,643,033	99.99%
2010	4,776,510	4,453,024	93.2%	305,573	4,758,597	99.62%
2011	4,916,098	4,641,549	94.4%	254,865	4,896,414	99.60%
2012	5,548,240	5,286,245	95.3%	230,025	5,516,270	99.42%
2013	5,673,471	5,466,703	96.4%	175,415	5,642,117	99.45%
2014	5,998,948	5,676,214	94.6%	287,841	5,964,055	99.42%
2015	6,444,151	6,111,873	94.8%	289,735	6,401,607	99.34%
2016	6,432,106	6,109,545	95.0%	285,546	6,395,091	99.42%
2017	6,706,161	6,381,733	95.2%	275,320	6,657,053	99.27%
2018	6,837,147	6,502,012	95.1%	-	6,502,012	95.10%

Source: Multnomah County Division of Assessment and Taxation
Annual Property Tax Distribution Summary
Annual Property Tax Receivable Summary

CITY OF TROUTDALE , OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years Ending June 30th

Fiscal Year	Governmental Activities					Business-Type Activities			Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Net G.O. Bond (Premium) / Discount	Landfill Post- Closure Care	Capital Lease Payable	Finance Agreement	General Obligation Bonds	Net G.O. Bond (Premium) / Discount	Total Primary Government		
2009	\$ -	\$ -	\$ -	\$ -	\$ 1,078,000	\$ 9,450,000	\$ (127,323)	\$ 10,400,677	0.04%	669
2010	-	-	-	-	978,000	8,570,000	(113,176)	9,434,824	0.03%	605
2011	7,540,000	65,662	-	78,770	873,000	7,645,000	(99,029)	16,103,403	0.05%	1008
2012	7,480,000	62,379	-	146,684	763,000	6,685,000	(84,882)	15,052,181	0.05%	941
2013	7,315,000	59,096	261,786	81,194	648,000	5,685,000	(70,735)	13,979,341	0.04%	857
2014	7,130,000	55,813	251,256	88,645	528,000	4,645,000	(56,588)	12,642,126	0.03%	774
2015	6,915,000	52,530	240,491	61,144	403,000	3,555,000	(42,441)	11,184,724	0.03%	698
2016	6,685,000	49,247	229,726	26,148	273,000	2,420,000	(28,294)	9,654,827	0.02%	602
2017	6,440,000	45,964	218,721	15,952	138,000	1,235,000	(14,147)	8,079,490	0.02%	503
2018	6,175,000	25,581	207,471	5,758	5,000,000	-	-	11,413,810	N/A	705

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics for population data used in this calculation.

N/A - data not available.

CITY OF TROUTDALE , OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years Ending June 30th

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Value of Taxable Property ¹	Per Capita ²
2009	\$ 9,322,677	\$ 214,654	\$ 9,108,023	0.51%	529
2010	8,456,824	260,037	8,196,787	0.80%	932
2011	15,151,633	222,672	14,928,961	0.76%	870
2012	14,142,497	259,279	13,883,218	0.74%	795
2013	12,988,361	326,086	12,662,275	0.67%	715
2014	11,774,225	473,658	11,300,567	0.58%	625
2015	10,480,089	652,205	9,827,884	0.44%	528
2016	9,125,953	789,600	8,336,353	0.35%	430
2017	7,706,817	923,444	6,783,373	0.48%	640
2018	6,175,000	1,156,042	5,018,958	0.21%	310

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data used in this calculation.

² See the Schedule of Demographic and Economic Statistics for population data used in this calculation.

CITY OF TROUTDALE , OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Multnomah County	\$ 56,481,704	1.32%	\$ 745,558
Metro	223,905,000	0.69%	1,544,945
Port of Portland	60,339,399	0.64%	386,172
Reynolds School District No. 7	208,085,539	21.32%	44,363,837
Gresham-Barlow School District No. 10	304,749,806	0.48%	1,462,799
Mt. Hood Community College	56,481,704	4.83%	2,728,066
Multnomah Education Service District	28,200,000	1.30%	366,600
Other:			
Multnomah County	224,738,000	1.32%	2,966,542
Port of Portland	815,328,291	0.64%	5,218,101
TriMet Transportation District	828,820,000	0.86%	7,127,852
Subtotal, overlapping debt			66,910,472
City of Troutdale, Oregon direct debt			<u>11,413,810</u>
Total direct and overlapping debt			<u><u>\$ 78,324,282</u></u>

Source: The State of Oregon Office of the Treasurer, acting on behalf of the Municipal Debt Advisory Commission (MDAC)
& Multnomah County Division of Assessment and Taxation

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Troutdale. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values.

**CITY OF TROUTDALE , OREGON
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years Ending June 30th**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 50,725,479	\$ 55,676,056	\$ 54,720,846	\$ 51,943,677	\$ 51,339,262	\$ 51,872,159	\$ 57,128,678	\$ 59,558,620	\$ 63,847,241	\$ 72,065,256
Total net debt application to limit	-	-	-	-	-	-	-	-	-	5,000,000
Legal debt margin	<u>\$ 50,725,479</u>	<u>\$ 55,676,056</u>	<u>\$ 54,720,846</u>	<u>\$ 51,943,677</u>	<u>\$ 51,339,262</u>	<u>\$ 51,872,159</u>	<u>\$ 57,128,678</u>	<u>\$ 59,558,620</u>	\$ 63,847,241	\$ 67,065,256
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.94%

Legal Debt Margin Calculation for Fiscal Year 2017-2018

Real market value (2017-18) ¹	\$ 2,402,175,197
Debt limit (3% of total real market value)	72,065,256
Debt subject to limit:	5,000,000
Legal debt margin	\$ 67,065,256

¹ Note: Oregon Revised Statute 287A.050 provides a debt limit of 3% of the taxable real market value within the City's boundaries for general obligation bonds. Utility revenue bonds and assessment bonds are excluded from the limitation. The general obligation bonds outstanding for the City are for the new police station, which is excluded from debt subject to the limit. The Full Faith and Credit Obligations issued in 2018 are subject to the debt limit.

CITY OF TROUTDALE , OREGON
PROPERTY VALUE AND NEW CONSTRUCTION VALUE
Last Ten Fiscal Years Ending June 30th

Fiscal Year	New Commercial Construction ¹		New Residential Construction ¹		Property Value	
	Number of Units	Value	Number of Units	Value	Assessed Value ²	Tax Rate
2009	14	\$ 40,047,369	17	\$ 3,173,369	#####	4.40
2010	43	58,680,115	20	3,642,609	1,079,497,361	4.39
2011	-	-	3	640,367	1,107,900,669	4.44
2012	46	7,876,916	16	940,582	1,124,964,739	4.93
2013	42	3,061,104	19	937,644	1,115,008,909	5.09
2014	53	18,894,063	19	1,205,558	1,278,870,040	5.06
2015	86	8,443,560	36	1,093,255	1,289,385,250	4.86
2016	79	3,666,027	40	1,466,695	1,320,133,820	4.77
2017	46	21,609,088	56	6,298,576	1,387,498,970	4.73
2018	72	178,558,311	54	3,612,348	1,451,512,515	4.64

1 City of Troutdale Building Department.

2 Multnomah County Division of Assessment and Taxation.

CITY OF TROUTDALE , OREGON
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
Last Ten Fiscal Years Ending June 30th

Fiscal Year	Special Assessment Billings	Special Assessment Collections ¹
2009	-	-
2010	-	-
2011	-	-
2012	-	-
2013	-	-
2014	-	-
2015	-	-
2016	-	-
2017	-	-
2018	-	-

¹ Includes prepayments.

CITY OF TROUTDALE , OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years Ending June 30th

Fiscal Year	Population ¹	Personal Income (Multnomah County) ²	Per Capita Personal Income (Portland Metro Area) ²	School Enrollment ³	Unemployment Rate (Portland Metro Area) ⁴
2009	15,535	\$28,440,292,000	\$ 38,565	3,689	10.7%
2010	15,595	29,458,183,000	39,384	4,674	10.5%
2011	15,980	31,161,157,000	41,302	4,089	9.1%
2012	16,000	32,644,222,000	43,189	4,252	8.2%
2013	16,005	33,376,029,000	43,728	4,128	7.2%
2014	16,015	36,588,018,000	45,794	4,221	6.4%
2015	16,020	38,906,295,000	48,422	4,159	5.8%
2016	16,035	41,194,678,000	50,489	4,156	5.6%
2017	16,070	43,873,915,000	54,329	4,064	4.1%
2018	16,185	N/A	N/A	4,101	N/A

Data Sources:

¹ Portland State University, Population Research and Census center.

² U.S. Department of Commerce, Bureau of Economic Analysis. Calendar year info

³ Reynolds School District: Four schools located within corporate limits.

⁴ U.S. Department of Labor, Bureau of Labor Statistics, Calendar year info since 2007

N/A - data not available.

**CITY OF TROUTDALE , OREGON
PRINCIPAL EMPLOYERS
Current Year and Prior Year**

Employer	2018			2017		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
FedEx Ground Package System, Inc.	753	1	14.08%	740	1	13.98%
Walsh Trucking Co., LTD	416	2	7.78%	416	2	7.86%
Home Depot USA, Inc.	165	3	3.09%	176	3	3.33%
Tube Specialties	140	4	2.62%	140	4	2.65%
Safeway Services	137	5	2.56%	137	5	2.59%
Travel Centers of America	125	6	2.34%	125	7	2.36%
Safeway, Inc.	122	7	2.28%	106	10	2.00%
Edgefield McMenamins	120	8	2.24%	120	8	2.27%
Development NW	120	9	2.24%			0.00%
Amazon.com	117	10	2.19%			0.00%
Toyo Tanso USA, Inc				134	6	2.53%
Postal Express, Inc.				113	9	2.14%
Totals	<u>2,215</u>		<u>41.86%</u>	<u>2,207</u>		<u>41.70%</u>

Source: City of Troutdale business license applications self reported.
Combined full time and part time positions reported

CITY OF TROUTDALE , OREGON
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION
Last Ten Fiscal Years Ending June 30th

Function	Full-time Equivalent Employees for Fiscal Year Ended									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government	14.5	14.0	14.3	14.3	15.8	13.4	12.4	14.1	15.1	16.0
Police										
Officers	24	22	23	23	24	25	25	0.0	0.0	0.0
Civilians	5.0	5.0	4.5	4.5	3.5	3.5	3.5	0.5	0.5	0.5
Building Safety		4.0	2.1	2.1	1.7	1.5	1.8	3.3	3.0	3.0
Community Development	16.8	3.0	2.5	2.5	2.0	1.0	1.5	2.5	3.0	3.0
Parks & Facilities		4.0	4.0	4.0	4.4	6.0	6.0	6.0	6.0	6.0
Streets	2.0	2.0	1.5	1.6	1.5	1.9	1.9	1.8	1.8	2.1
Water	5.9	6.0	5.5	5.4	5.0	4.8	5.0	5.1	4.1	4.1
Sewer	8.0	6.0	6.0	6.0	8.0	8.0	6.0	5.9	5.9	5.5
Storm							2.1	2.2	2.2	2.6
Public Works Services										
Equipment Maintenance	2.1	2.1	1.5	2.1	2.1	1.7	1.7	2.1	2.1	2.1
Management	<u>6.0</u>	<u>6.0</u>	<u>5.8</u>	<u>5.9</u>	<u>6.0</u>	<u>5.9</u>	<u>6.2</u>	<u>6.2</u>	<u>10.0</u>	<u>9.0</u>
Total	<u><u>84.2</u></u>	<u><u>74.1</u></u>	<u><u>70.6</u></u>	<u><u>71.4</u></u>	<u><u>74.0</u></u>	<u><u>72.8</u></u>	<u><u>72.8</u></u>	<u><u>49.5</u></u>	<u><u>53.6</u></u>	<u><u>53.8</u></u>

Source: City financial records.

CITY OF TROUTDALE , OREGON
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years Ending June 30th

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Calls for service ¹	8,662	8,179	8,236	11,897	11,798	10,505	10,592	10,484	10,943	N/A
Traffic Calls ¹	3,018	3,808	3,828	3,316	3,060	2,508	1,571	2,440	2,644	N/A
Part I crimes ²	560	532	549	599	550	558	493	613	615	N/A
Part II crimes ²	736	772	882	940	727	608	727	238	329	N/A
Water										
Number of users	4,605	4,616	4,645	4,641	4,644	4,648	4,655	4,662	4,539	4,555
Average daily production (in thousands of gallons)	1,733	1,562	1,547	1,643	1,617	1,547	1,592	1,641	1,560	1,620
Sewer System										
Number of users	4,497	4,511	4,514	4,476	4,373	4,491	4,498	4,419	4,452	4,462
Average daily use or consumption (in thousands of gallons)	1,348	1,200	1,200	1,397	1,390	1,337	1,303	1,170	1,500	1,600
Storm Water System										
Number of users	4,605	4,619	4,633	4,560	4,466	4,584	4,591	4,609	4,686	4,705

Sources: Various City departments.

N/A - data not available.

¹ Calls for Service compiled on a calendar year basis from Bureau of Emergency Communications (BOEC) dispatch reports. Traffic calls compiled on a calendar year basis from BOEC dispatch reports but are officer initiated.

² Police Part I and II crime statistics compiled on a calendar year basis. Part I crimes include homicide, forcible rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson. Part II crimes include simple assault, forgery/counterfeit, fraud, embezzlement, stolen property, vandalism, weapons laws, prostitution, other sex offenses, drug abuse, gambling, offenses against family, DUI, liquor laws, disorderly conduct, negligent homicide, and curfew/runaway.

Note: Indicators are not available for highways and streets and general government.

CITY OF TROUTDALE , OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years Ending June 30th

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	24	24	20	20	20	20	20	0	0	0
Highways and streets										
Streets (miles)	41.2	42.5	42.8	42.9	42.8	43.2	43.2	43.8	43.6	43.73
Culture and recreation										
Parks acreage	73	73	87	89.70	86.45	86.45	83.47	83.47	83.47	83.47
Greenways acreage	96	96	164	164.11	163.91	152.30	154.03	154.03	154.03	154.03
Parks, Greenways & Natural Areas	18	18	29	29	30	30	29	29	29	29
Water system										
Water main lines (miles)	64	64	61	61.25	65.50	66.89	66.72	66.72	67.6	67.85
Daily storage capacity (in millions of gallons)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6	6	6
Daily production capacity (in millions of gallons)	4.4	3.8	6.0	6.0	5.2	5.8	5.8	5.8	6.99	6.99
Sewer system										
Sanitary sewer lines (miles)	51.5	51.5	54.6	54.62	55.91	55.87	55.92	55.98	55.98	56.07
Daily plant capacity (in millions of gallons)	3	3	3	3	3	3	3	3	6.3	3
Storm water system										
Miles of service lines	32.4	32.4	37.0	37.0	34.3	34.3	34.4	34.4	34.4	34.4

Sources: Various City departments.

¹ New Water Pollution Control Facility opened for production in 2002.

² Previous years reported total water rights. In FY 2008, total physical well production capacity is reported

**CITY OF TROUTDALE
MULTNOMAH COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS**



PAULY, ROGERS, AND Co., P.C.
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December 21, 2018

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Troutdale as of and for the year ended June 30, 2018, and have issued our report thereon dated December 21, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Troutdale'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.**
- **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).**
- **Schedule of Accountability of Elected Officials**

In connection with our testing nothing came to our attention that caused us to believe the City of Troutdale 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.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures 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 internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive style.

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

RESOLUTION NO.

A RESOLUTION APPROVING THE CITY'S FINANCIAL STATEMENTS AND COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2018.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. The Municipal Audit Law, ORS 297.425 requires an annual audit of the City's financial statements and report to the Secretary of State.
2. That the Governmental Accounting Standards Board (GASB) has identified accountability as the paramount objective of financial reporting, providing two essential components: fiscal accountability and operational accountability.
3. That to fully support these accountability objectives that the City has prepared a Comprehensive Annual Financial Report (CAFR).
4. That City Management is primarily and ultimately responsible for the fairness of the presentation of the basic financial statements.
5. That the annual presentation of the CAFR facilitates the monitoring and accountability responsibilities of the City Council for oversight of the City's fiscal affairs.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE, OREGON THAT:

Section 1: The City's financial statements and Comprehensive Annual Financial Report (CAFR) prepared by City Management for the Fiscal Year ended June 30, 2018 is approved.

Section 2: This resolution is effective upon adoption.

YEAS:

NAYS:

ABSTAINED:

Casey Ryan, Mayor

Date

Sarah Skroch, City Recorder
Adopted:



CITY OF TROUTDALE



STAFF REPORT

SUBJECT / ISSUE: A Resolution Accepting the Report of the Independent Certified Public Accountants on the City's financial statements for the Fiscal Year ended June 30, 2018, the Auditor's Communication Letter (SAS No. 114), and the OAR 162.10. Audits of Oregon Municipal Corporations Letter.

MEETING TYPE:
City Council Regular Mtg.

STAFF MEMBER:
Erich Mueller

MEETING DATE:
January 22, 2019

DEPARTMENT:
Finance

ACTION REQUIRED:
Resolution

ADVISORY COMMITTEE/COMMISSION RECOMMENDATION:
N/A

PUBLIC HEARING:
No

Comments:

STAFF RECOMMENDATION: Adopt the proposed resolution "accepting" the Independent Auditors' Report, SAS No. 114 letter and OAR 162 Letters of auditor communication.

EXHIBITS:

- A. Comprehensive Annual Financial Report (CAFR) FY 2017-2018
(as provided with the previous agenda item)
- B. Auditors' letter SAS No. 114 The Auditor's Communication to the Governing Body

SUBJECT / ISSUE RELATES TO:

- Council Goals
 Legislative
 Other (describe)

Document financial oversight by the City Council

ISSUE / COUNCIL DECISION & DISCUSSION POINTS:

- ◆ City Management is primarily and ultimately responsible for the fairness of the presentation of the basic financial statements.
- ◆ As the CAFR (Comprehensive Annual Financial Report) is the City's presentation of its official GAAP (Generally Accepted Accounting Principles) based financial statements, external users of the CAFR desire independent assurance that the basic financial statements are reliable.
- ◆ The role and purpose of the independent auditor is to express an opinion on the fairness of the presentation of the financial statements.

Reviewed and Approved by City Manager:

- ◆ The ultimate responsibility for the monitoring, accountability and oversight of the City's fiscal affairs rests upon the City Council.
- ◆ SAS No. 114 requires auditors to communicate openly and candidly specifically with the Council.
- ◆ OAR 162-10-000 specifies the Minimum Standards for Audits of Oregon Municipal Corporations and requires comments and disclosures from the auditors.

BACKGROUND:

The Comprehensive Annual Financial Report (CAFR) of the City of Troutdale for the fiscal year ended June 30, 2017 was audited by Pauly, Rogers and Co., P.C. The auditor issued an unmodified opinion, also known as a “clean” opinion with no reservations. The ***Independent Auditors' Report***, is in the bound CAFR page 1, and is presented for your review and acceptance. Included as Exhibit A of the previous agenda item.

The letter identifies the financial statements, management's responsibility, the auditor's scope and role, and importantly their resulting conclusion opinion of the financial statements. The opinion statement is at the top of page 2. *“In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position...”*

The auditor's required letter under the Auditing Standards Board Statement on Auditing Standards (SAS) No. 114, ***The Auditor's Communication to the Governing Body***, is attached for your review and acceptance, Exhibit B.

SAS No. 114 requires auditors to communicate openly, candidly, and specifically with those charged with corporate governance, regarding significant findings and issues related to the audit. Their observations are described beginning at the top of page 2 of their SAS114 letter, under Result of Audit:

- they report that a “clean” unmodified audit opinion was issued,
- no exceptions to State minimum standards (This item is covered in the following section of this staff report), and
- that a separate Management Letter SAS 115 was ***not*** issued again this year.

Under Significant Audit Findings section, they report **no issues** with the areas of:

- *Qualitative Aspects of Accounting Practices*
- *Difficulties Encountered in Performing the Audit*
- *Corrected and Uncorrected Misstatements*
- *Disagreements with Management*
- *Management Representations*

- *Management Consultations with Other Independent Accountants*
- *Other Audit Findings or Issues*
- *Required Supplementary Information*
- *Supplementary Information accompanying the basic financial statements*
- *Other Information accompanying the basic financial statements*

The Auditing Standards Board Statement on Auditing Standards (SAS) No. 115, **Communicating Internal Control Related Matters Identified in an Audit**, is informally referred to as the “Management Letter”. Again this year the Auditors found no basis to issue a Management Letter, as noted at the top of page 2 of their SAS 114 letter.

The auditor’s required letter under Oregon Administrative Rules 162-10-000 **Minimum Standards for Audits of Oregon Municipal Corporations**, is in the bound CAFR page 112.

This OAR requires comments and disclosures from the auditors related to their audit of the financial statements and certain schedules in the CAFR including but not limited to:

- 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.
- 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).
- Schedule of Accountability of Elected Officials

They noted **no exceptions** in these areas as a result of their testing.

SUMMARY:

The proposed resolution does **not** “approve” the audit opinion and communication letters, but rather “*accepts*” these reports. These Letters report the auditors’ professional judgment, and are not subject to client approval or disapproval.

PROS & CONS:

- A.** Accept the Auditors’ report and the OAR and SAS letters of communication to complete the official record and demonstrate financial oversight by the Council and compliance with the Municipal Audit Law, ORS 297.425.
- B.** Not accept the Auditors’ report and the OAR and SAS letters of communication, causing gaps in the official compliance record.

Current Year Budget Impacts: Yes (*describe*) N/A

Future Fiscal Impacts: Yes (*describe*) N/A

City Attorney Approved: Yes N/A

Community Involvement Process: Yes (*describe*) N/A

**Exhibit A for Item 6.2 is
the same as Exhibit A
from Item 6.1**

CITY OF TROUTDALE
TROUTDALE, OREGON

COMMUNICATION TO THE GOVERNING BODY
FOR THE YEAR ENDED JUNE 30, 2018



12700 SW 72nd Ave.
Tigard, OR 97223



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December 21, 2018

To the City Council
City of Troutdale
Multnomah County, Oregon

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troutdale for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. We also communicated any internal control related matters that are required to be communicated under professional standards.

Pauly, Rogers and Co., P.C.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a "clean" opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management letter – No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018, except for the implementation of GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the basic financial statements were Management's estimate of Accounts Receivable and Capital Asset Depreciation, which are based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the basic financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole.

Disagreements with Management

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

Pauly, Rogers and Co., P.C.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Supplementary Information

We were engaged to report on the supplementary information, which accompany the basic financial statements but are not required supplementary information. 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 basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

With respect to the other information accompanying the basic financial statements, we read the information to identify if any material inconsistencies or misstatement of facts existed with the audited basic financial statements. Our results noted no material inconsistencies or misstatement of facts.

Pauly, Rogers and Co., P.C.

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

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive style.

Tara M Kamp, CPA
PAULY, ROGERS AND CO., P.C.

RESOLUTION NO.

A RESOLUTION ACCEPTING THE REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE CITY'S FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018, THE AUDITOR'S COMMUNICATION LETTER (SAS NO. 114), AND THE OAR 162.10. AUDITS OF OREGON MUNICIPAL CORPORATIONS LETTER.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. To support accountability in financial reporting the City has prepared financial statements and a Comprehensive Annual Financial Report (CAFR).
2. That City Management is primarily and ultimately responsible for the fairness of the presentation of the basic financial statements.
3. That City Council is ultimately responsible for the monitoring, accountability and oversight of the City's fiscal affairs.
4. Further that Independent Certified Public Accountants, Pauly, Rogers and Company, P.C., was previously engaged by the City to audit the financial statements and express an independent opinion on the fairness of the presentation of the City's financial statements.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

Section 1: The Report of Independent Certified Public Accountants on the audited financial statements of the City for the Fiscal Year ended June 30, 2018 is accepted as presented.

Section 2: The auditors' letter required under Statement on Auditing Standards (SAS) No. 114; The Auditor's Communication to the Governing Body, is accepted as presented.

Section 3: The auditors' letter required under Oregon Administrative Rules 162.10.000 Minimum Standards for Audits of Oregon Municipal Corporations, is accepted as presented.

Section 4: This resolution is effective upon adoption.

YEAS:
NAYS:
ABSTAINED:

Casey Ryan, Mayor

Date

Sarah Skroch, City Recorder
Adopted:



CITY OF TROUTDALE



STAFF REPORT

SUBJECT / ISSUE: Old City Hall and its future.

MEETING TYPE:
City Council Regular Mtg.

STAFF MEMBER:
Ray Young

MEETING DATE:
January 22, 2019

DEPARTMENT:
Executive

ACTION REQUIRED:
Information / Discussion

ADVISORY COMMITTEE/COMMISSION RECOMMENDATION:

PUBLIC HEARING:
No

N/A

Comments:

STAFF RECOMMENDATION: Staff recommends that the City rebuild old City Hall to its “historic” look and size, the least expensive option, and not pursue any other city construction projects regarding a new “full service” City Hall. The Staff requests approval to begin the process of presenting a Bond levy to the citizens to achieve this result.

EXHIBITS:

- A. FFA’s City Hall Assessment dated July 10th, 2018
- B. FFA’s City Hall Assessment dated March 6th 2018
- C. Excerpt from Ex. A., above, showing recommended configuration.
- D. 2011 Troutdale City Hall Structural Repair Recommendations from BBL Architects.
- E. The Staff Report from 2012 discussing options after the BBL report.
- F. 2014 Minutes from City Council Work Session regarding City Hall

SUBJECT / ISSUE RELATES TO:

- Council Goals Legislative Other (describe)

ISSUE / COUNCIL DECISION & DISCUSSION POINTS:

- ◆ What to do with old City Hall?
- ◆ What old City Hall “solution” best meets the needs of the citizens for the future?
- ◆ What old City Hall “solution” is possible and affordable?

Reviewed and Approved by City Manager: 

BACKGROUND:

The City's old City Hall, at 104 SE Kibling, was constructed in the 1920's. In 2011 the City vacated the building due to structural issues that made it unsafe for the staff and the citizens to use the building. (See Exhibit D) Over the intervening years various proposals to remedy the problem, and reuse the building, have been discussed. (See Exhibits E and F) Regrettably, none of those discussions led to any action and the building has continued to be vacant and it falls further into disrepair. Without a decision on the future of the building, the decision will be made for us as the building will become more economically unrepairable.

Added as attachments to this Staff Report are documents from 2011, 2012 and 2014. These are included for your review for two purposes. The first is for background on the original problem with old City Hall and the issues discussed around what to do with it. The second is to point out that all that work and time has resulted in no decisions. The problem was not solved, and the building continues to deteriorate. The current Council has "inherited" the problem.

In 2017 the City hired the architectural firm FFA to evaluate the building and come up with various reconstruction possibilities and budgets. On March 6th, 2018 the Council had a work session and FFA presented their findings. A copy of that proposal is attached to refresh Council's memory.

The Council gave staff and FFA direction on next steps. First, the Council made it clear that it was important to preserve the building as public space for its historic value in the community. Secondly, the Council wanted to know the cost to remodel the building to its current configuration, which included restoring both additions (solving the structural problems required their removals).

On July 10th, 2018 FFA returned to Council and updated their report to add several variations on the prior report based on the Council's direction from March 6th.

Returning to "old" City Hall, as the location for most City Hall staff, has its challenges, all of which FFA identified at the work session. This option would have us rebuild City Hall with current additions on the south and east sides. First, it is an almost 100 year old wood structure which will continue to have maintenance issues. Second, its useable square footage does not allow for growth, and to even return existing staff would be a "squeeze". Some might call it a "sardine solution" as staff work spaces would be significantly curtailed and it would be crowded. Even with the "sardine solution" it would still require some staff, who should optimally be near other departments, to be at other locations. Thirdly, the parking is insufficient for staff and the public, and would require the expansion of the parking lot at 2nd and Kibling. Making ADA improvements and increasing the size of the parking lot across the street add substantially to the overall cost of "returning" there. FFA has prepared a proposed layout and budget if we were to make it a "full-service" City Hall again.

The biggest problem with returning the building to its status as "The" City Hall may be cost. To rebuild it to current code standards for staff to occupy both floors, fix the ADA problems and expand parking, would cost approximately \$5,547,100. (See exhibit A). Some people could reasonably ask if that is a good use of public money for a 100 year old building, and even when completed, will still be too small to house all of the necessary city staff and, of course, would not allow room for future needs.

The second option to preserve the building, is to actually return the building to its “historic” configuration. (Don’t restore the additions on the south and east sides which were constructed in the 70’s and 80’s) Exhibit “A” lists this cost as \$1,770,000. Added to that hard construction cost is 30% for soft costs, and beyond that increased construction costs of about 7% a year until it can be done. This would not allow it to be used for City staff, but would make it usable as a City Council Chambers, a Municipal Court Room, provide badly needed storage, space for Recreation Department classes, and a rentable public space (maybe to even use it as a dance hall?). With this option staff would stay in rented space, and other city space. (As the Council is aware, currently staff, that citizens regularly interact with, are located in 5 different places.)

The third option is really two options, with similar costs. (These are referenced in Exhibit A as options 2 and 3) The first of these two options is to not only rebuild old City Hall for city staff, but to add an addition to the east to provide a reasonable amount of additional space to make it a “full-service” city hall. The second of these two options is to rebuild old City Hall to historic dimensions (no additions) and build a brand new City Hall on another piece of property. The cost of these two options, respectively, were \$8,173,100 and \$9,248,200. These options would give us a “full-service” city hall location, save the building and end the practice of leasing of office space.

The biggest “elephant in the room” is how we pay for any option. The City does not have the financial resources to do any of the options without a bond levy. The 2018-19 Budget calls for a year-end balance of \$3,034,000. For various reasons, the City has believed it necessary to not allow our year-end balance to ever dip below \$2,000,000. The on-going, primary reason is that since our property tax income really doesn’t start to flow in until 3-4 months into the budget year, we need cash to operate. Other reasons to keep our end of year balance higher than \$2,000,000 are several. Our obligations to PERS will continue to grow over the next 7-9 years, financial experts are suggesting we may be having a recession in the next couple years, and we have an ongoing obligation to the 5 million dollar loan we took out to move the URA area forward. For all these reasons, it would not be prudent financial management to expend current City resources in such a way that we might endanger our providing essential services in the future.

Some have suggested we might consider a loan from our Parks SDC fund, which is budgeted to have a 1.4 million dollar balance at the end of this year. This is problematic for several reasons. First, there is obviously not enough money in the fund to even pay for the cheapest option. Secondly, we already have 3 outstanding loans from the Parks SDC fund for repairs to the Sam Cox Building and the Gateway to the Gorge arch. Thirdly, a loan is still a loan that has to be repaid over 10 years, and puts a burden on the general fund. Having another loan, as we enter into years of worries about PERS, the economy and the URA loan, is not wise.

Staff recommends that if we do anything to save old City Hall Council should ask the citizens to pass a bond levy. In choosing this path, we must evaluate which option is most likely to get passed. The first thing to consider is how amenable are the citizens to a bond levy in general? We need to remember that about a decade ago the last bond levy, to build the police building, barely passed, and only after a herculean effort by its supporters. Since that time we have consolidated our police department with MCSO, and leased most of that building to Multnomah

County. Some elements of our community may still feel a little concerned about what happened with our police and the building after they passed the levy.

The second thing to discuss is how clear and supportable is the “message” of a bond levy? One could argue that if the “target” is the least money necessary to simply save old City Hall, restore it to historical proportions, and use it for a “community space” (Recreation Classes, private rentals, Council Chambers, Municipal Court), a strong segment of the population might get behind it. It is relatively cheap, and matches its historical look and feel.

On the other hand, if the citizens will accept the higher cost, “solving” the long term problem of an “appropriate” City Hall that is big enough for the next 50 years, and saves old City Hall, has some attraction. It is obvious that the demographics of Troutdale have changed over the years, and what people thought about a bond levy years ago may be different today. It is for the Council and the community to decide what do we “need” and what we want to pay for. We are probably the only City in the metro area without an identifiable City Hall, but maybe that is ok for us.

Generally, the cost for any of the options would still be less than the cost for the Waste Water Plant that just came off the citizen’s tax rolls last year after 20 years of payments. The least expensive option, a bond levy for \$2,500,000 to \$3,000,000, would cost the average \$300,000 home about \$25 a year, the most expensive options about \$75-\$80 per year.

PROS & CONS:

Pros:

- All options preserve the “Historic” City Hall building.
- Except for the cheapest option, the others give the citizens and staff a much improved interaction with staff and a better working environment.
- The more expensive options reduce or eliminate leasing of office space.
- The Citizens will get direct input on whether they want to pay for the restoration of old City Hall. The issue is not convoluted with space for staff at a higher cost.

Cons:

- A bond levy approved by the voters is required for all options.
- The building will continue to deteriorate and cost the City money if no option is chosen.
- With the cheapest option, Citizens will continue to be inconvenienced by multiple locations for city staff.
- With the cheapest option, City staff will continue to operate less efficiently.

Current Year Budget Impacts: <input type="checkbox"/> Yes (<i>describe</i>) <input checked="" type="checkbox"/> N/A
Future Fiscal Impacts: <input checked="" type="checkbox"/> Yes (<i>describe</i>) <input type="checkbox"/> N/A
City Attorney Approved: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A
Community Involvement Process: <input type="checkbox"/> Yes (<i>describe</i>) <input checked="" type="checkbox"/> N/A

Exhibit A
1/22/19 Council Mtg #7



FFA
Architecture
+ Interiors

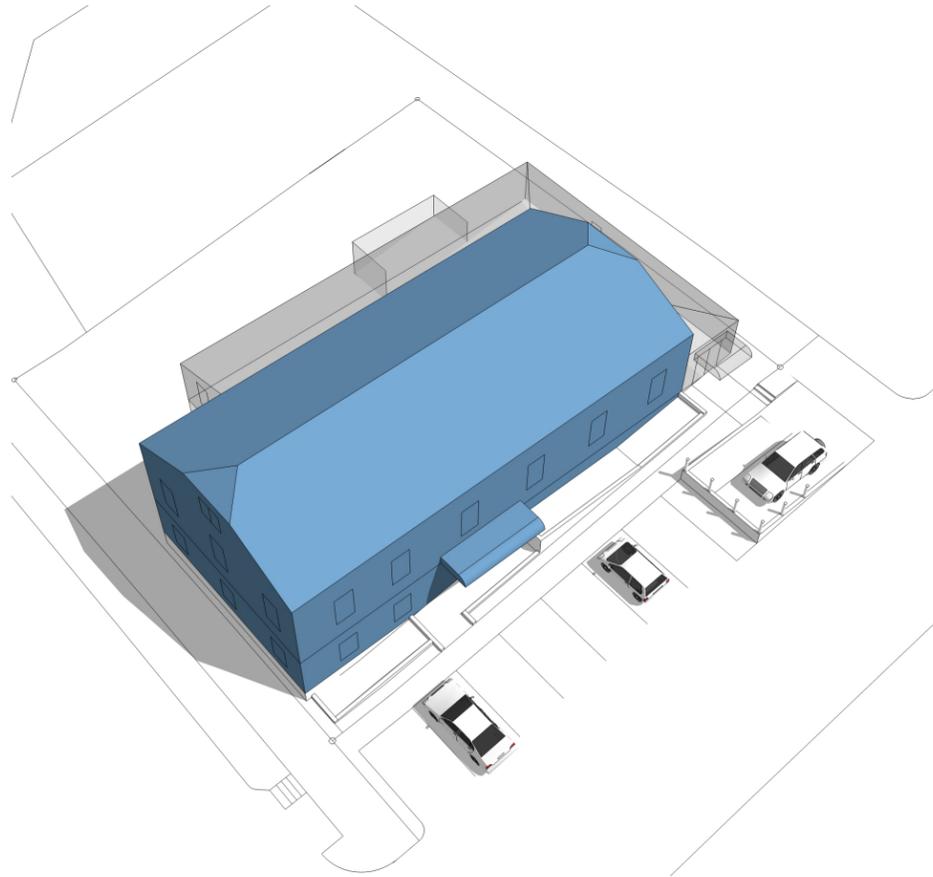
TROUTDALE CITY HALL ASSESSMENT
JULY 10, 2018 **CITY COUNCIL**

PREVIOUSLY PRESENTED OPTIONS

OPTION 01

EXISTING BUILDING RENOVATION

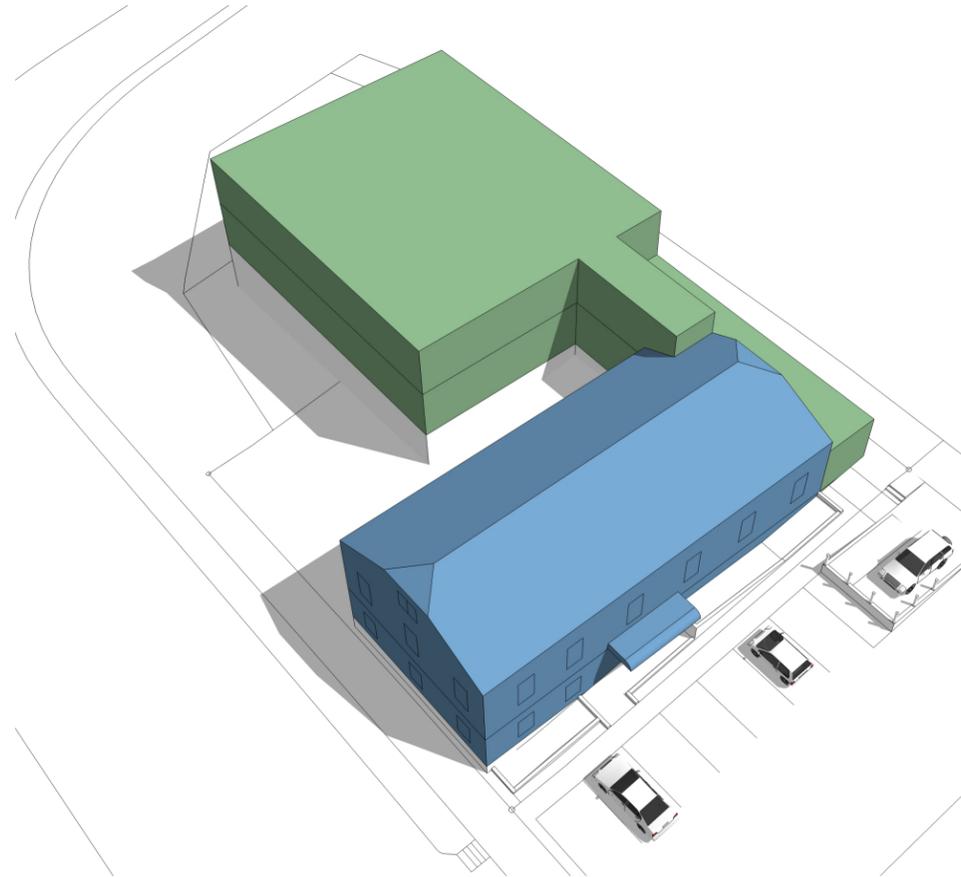
Gross Building Area: 6,610 SF
Net Usable Area (-20%): 5,288 SF
Construction Cost: \$1,939,000
Project Cost (+30%): \$2,520,700



OPTION 02

EXISTING BUILDING RENOVATION
+ 2-STORY ADDITION

Gross Building Area: 17,000 SF
Net Usable Area (-20%): 13,600 SF
Construction Cost: \$6,287,000
Project Cost (+30%): \$8,173,100



OPTION 03

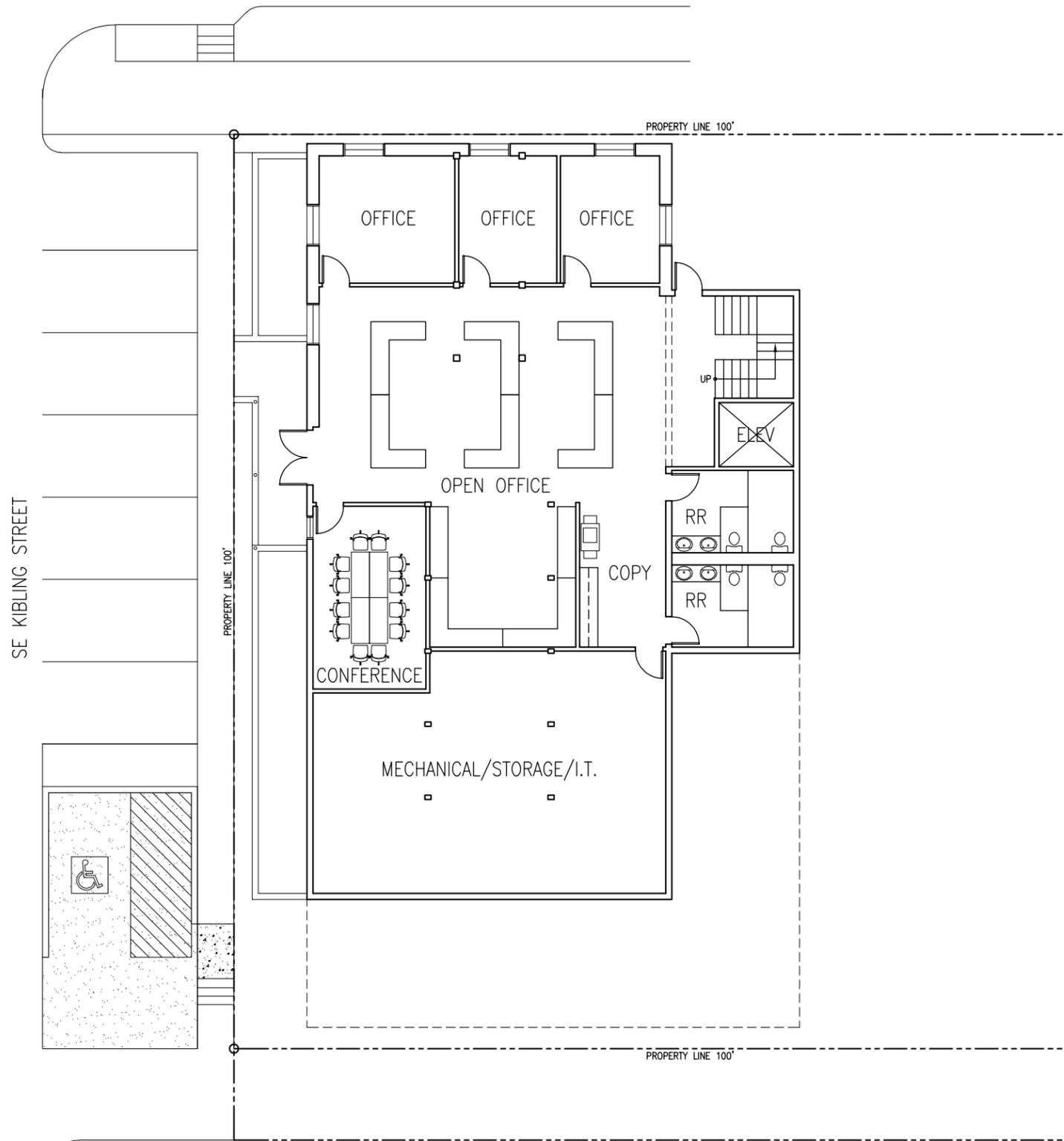
NEW CITY HALL ON TBD SITE

Gross Building Area: 17,000 SF
Net Usable Area (-20%): 13,600 SF
Construction Cost: \$7,114,000
Project Cost (+30%): \$9,248,200



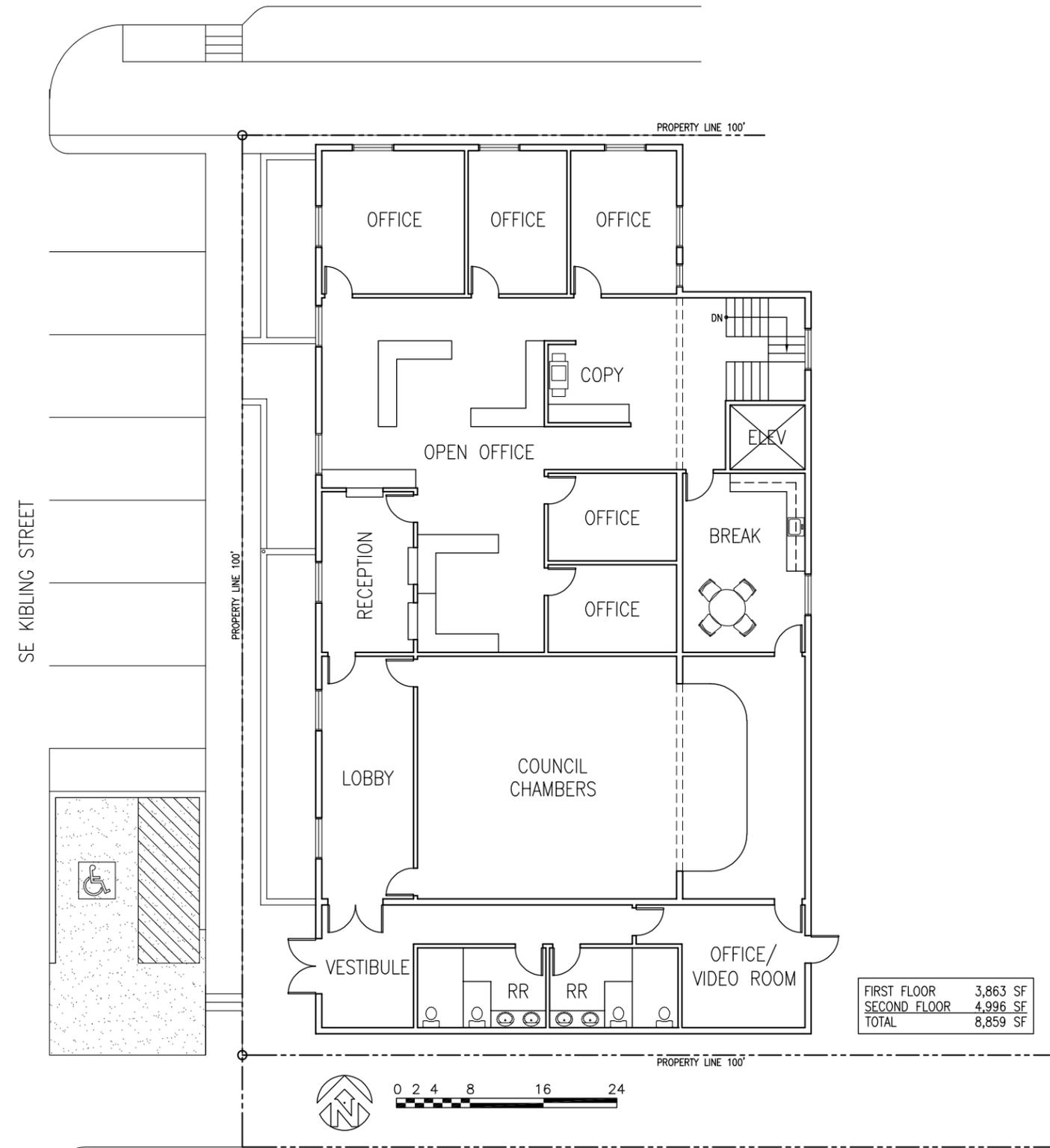
OPTION A: RENOVATE EXISTING CITY HALL + NEW PARKING DECK

HISTORIC COLUMBIA RIVER HIGHWAY



FIRST FLOOR SPACE PLAN

HISTORIC COLUMBIA RIVER HIGHWAY



FIRST FLOOR	3,863 SF
SECOND FLOOR	4,996 SF
TOTAL	8,859 SF

SECOND FLOOR SPACE PLAN

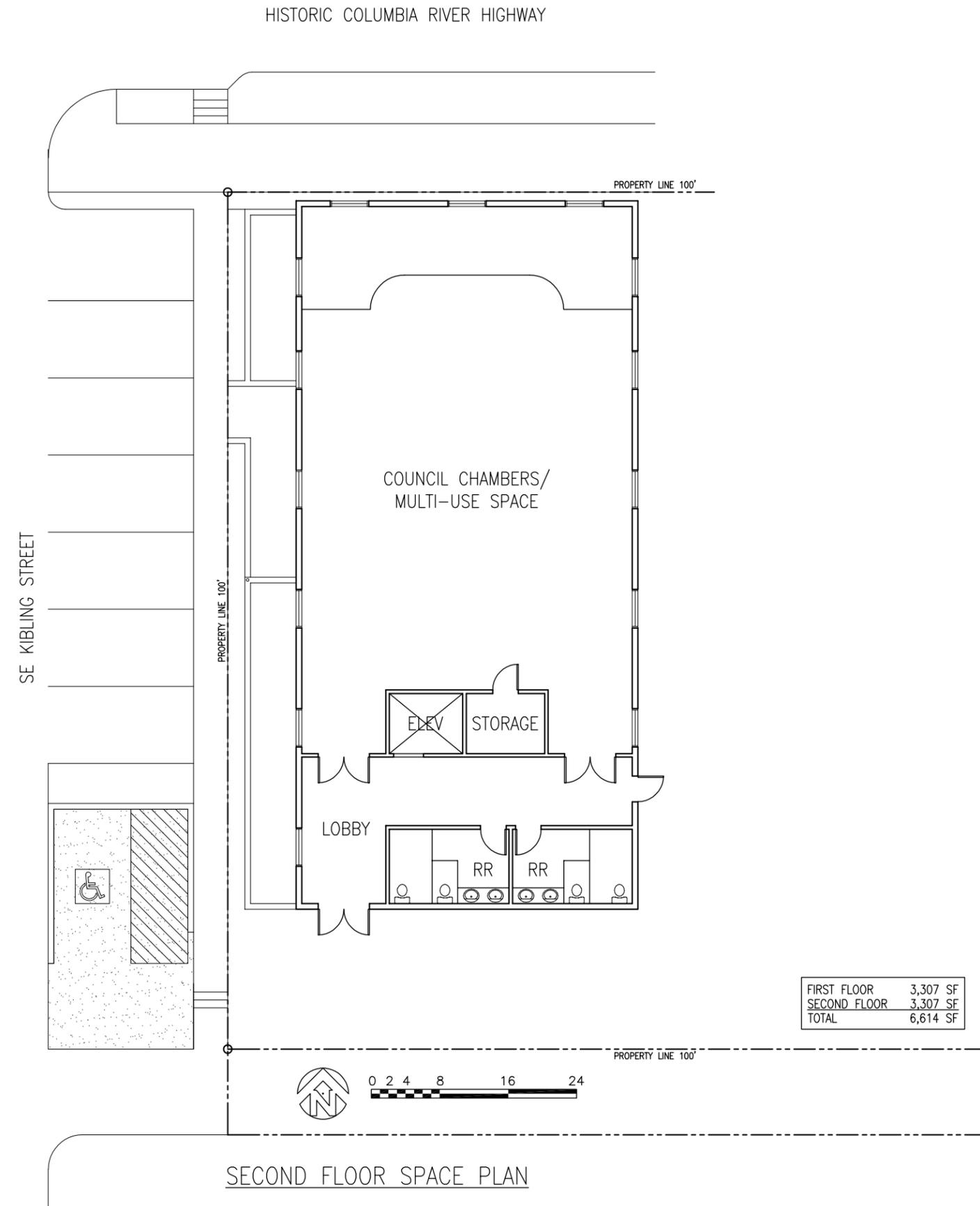
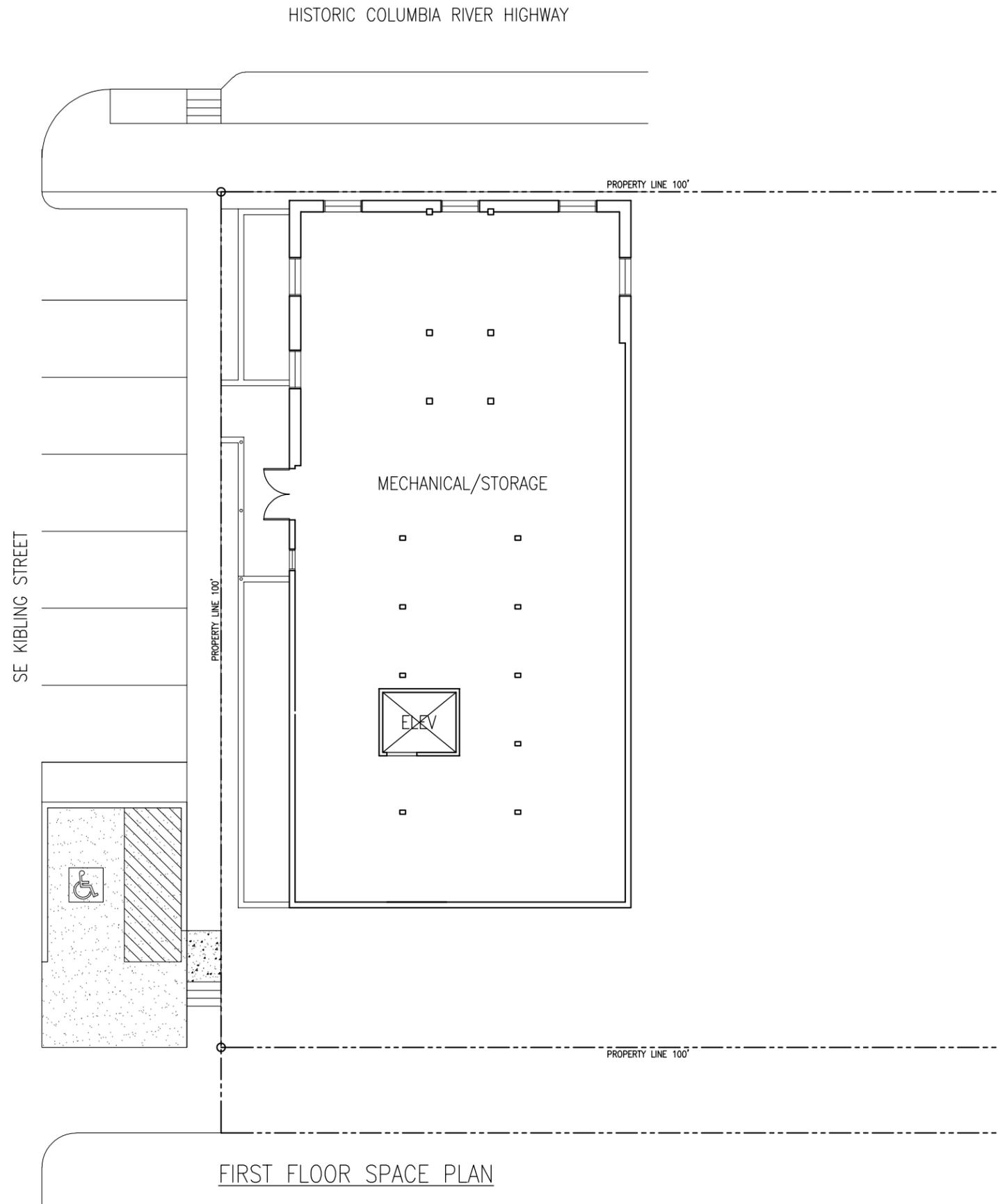
OPTION A: RENOVATE EXISTING CITY HALL + NEW PARKING DECK



OPTION A: RENOVATE EXISTING CITY HALL + NEW PARKING DECK

Gross Building Area:	8,859 SF	Existing Building Renovation:	\$3,017,000
Net Usable Area (-20%):	7,087 SF	(8,859 SF = \$340/SF)	
City Staff Desks:	23	Parking Construction:	\$1,250,000
Council Chambers Capacity:	60	(38 cars = \$33,000/car)	
(60 = currently posted limit)		<hr/>	
		Total Construction:	\$4,267,000
		Total Project Cost (+30%):	\$5,547,100

OPTION B: COMMUNITY SPACE + NEW CITY HALL ON TBD SITE



OPTION B: COMMUNITY SPACE + NEW CITY HALL ON TBD SITE

Gross Building Area: 6,614 SF

Net Usable Area (-20%): 5,291 SF

City Staff Desks: 0

Council Chambers Capacity: 245
(based on 7 SF/occupant)

Existing Building Renovation: \$1,770,000

(6,614 SF = \$267/SF)

New 10,000 SF Building & Site: \$4,950,000

(10,000 SF x \$450 + 10% for site)

Total Construction: \$6,720,000

Total Project Cost (+30%): \$8,736,000



QUESTIONS?

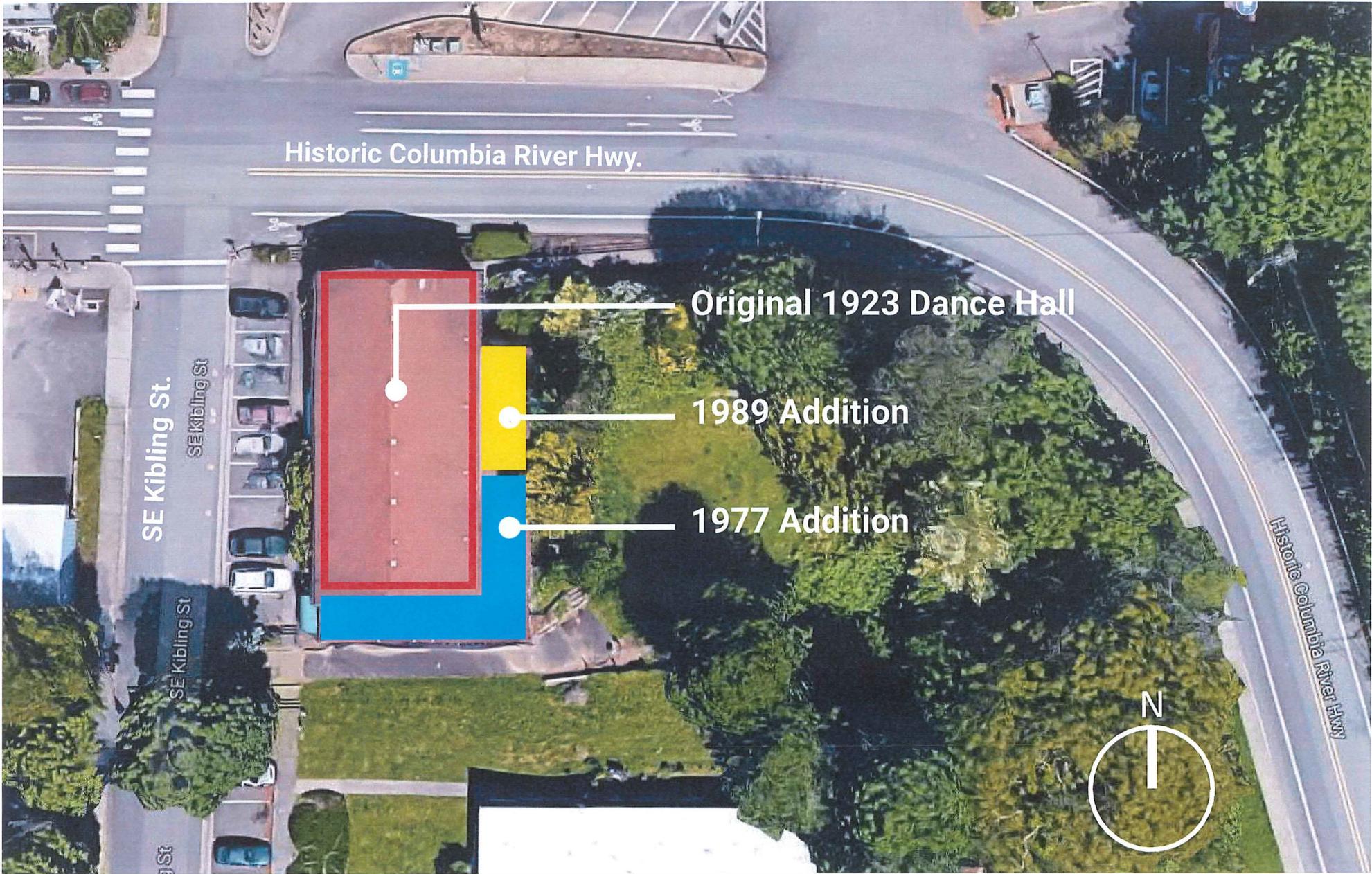
Exhibit B
1/22/19 Council Mtg #7



FFA
Architecture
+ Interiors

TROUTDALE CITY HALL ASSESSMENT

MARCH 6, 2018 **CITY COUNCIL WORK SESSION**



Historic Columbia River Hwy.

SE Kibling St.

SE Kibling St.

SE Kibling St.

St

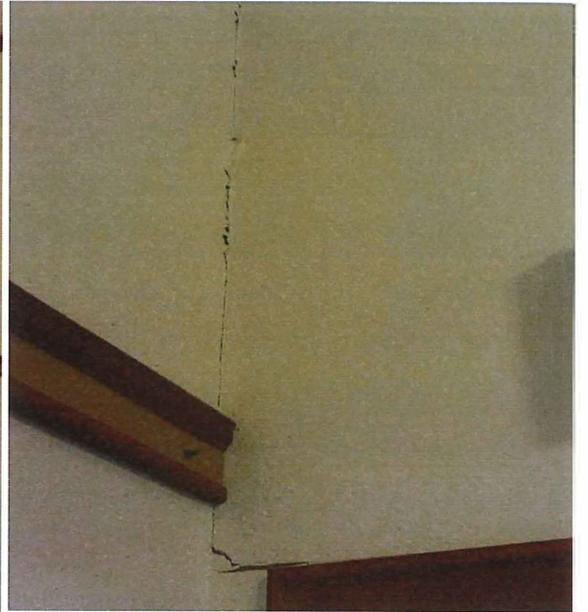
Original 1923 Dance Hall

1989 Addition

1977 Addition

Historic Columbia River Hwy.

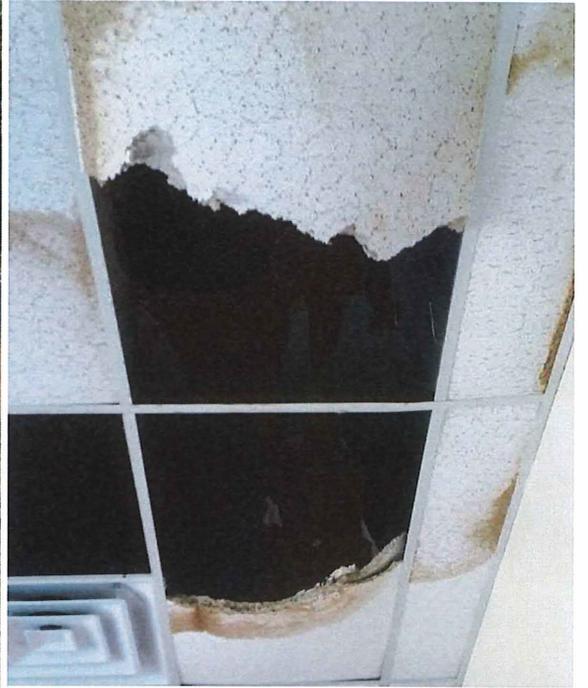




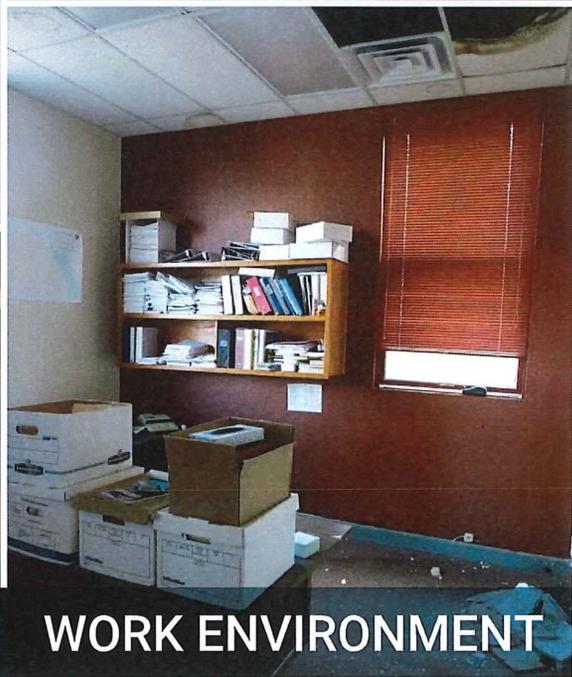
STRUCTURAL CHALLENGES



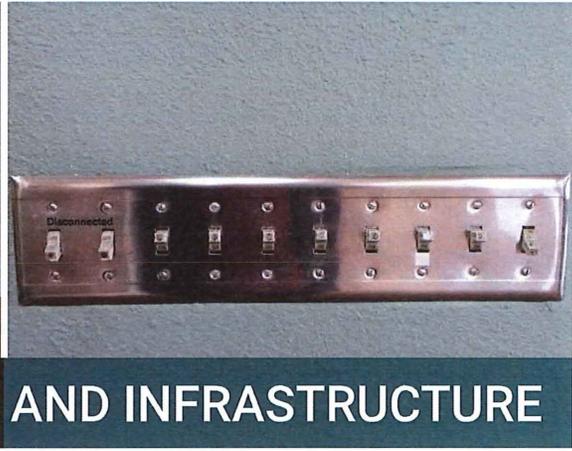
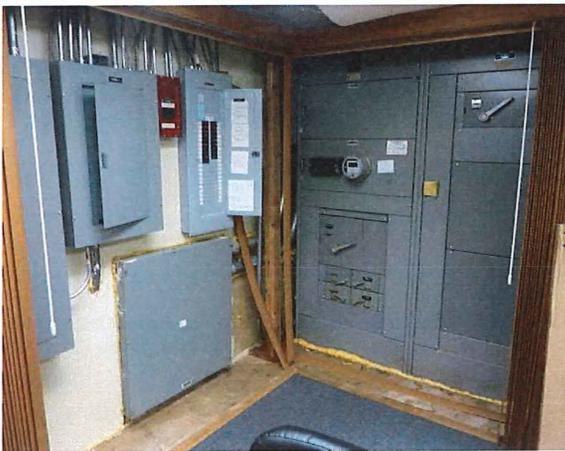
SITE & STRUCTURAL CHALLENGES



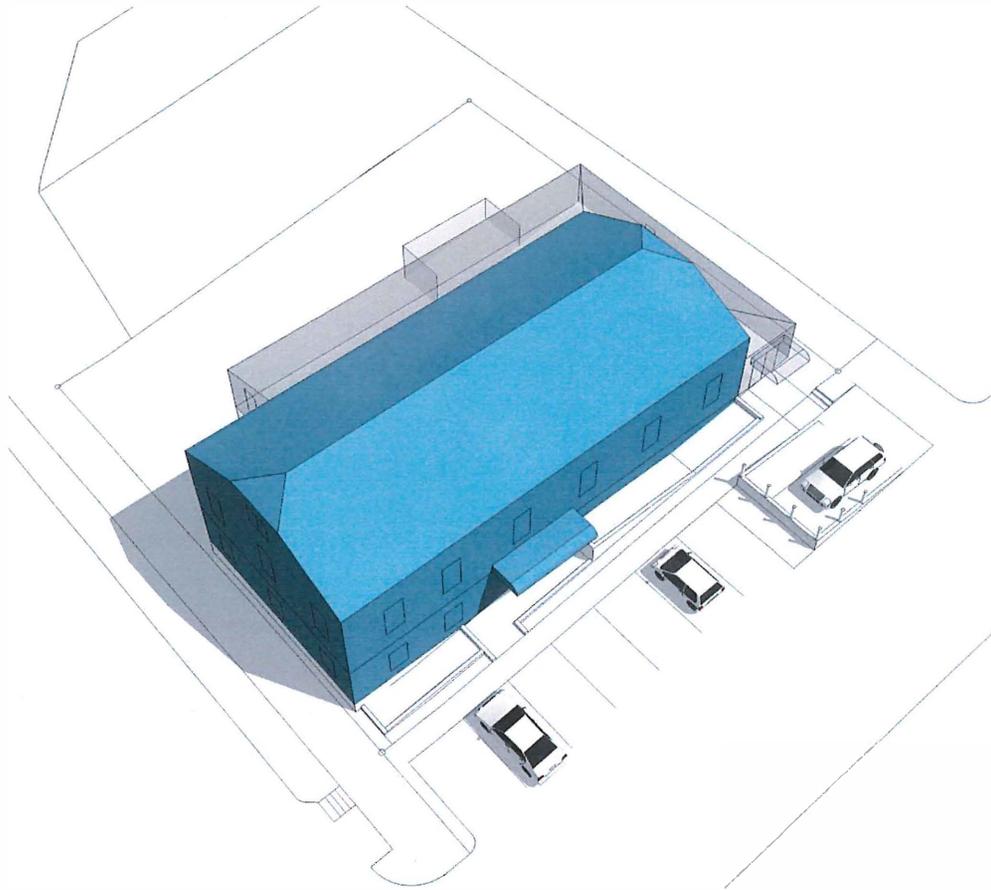
BUILDING ENVELOPE



WORK ENVIRONMENT



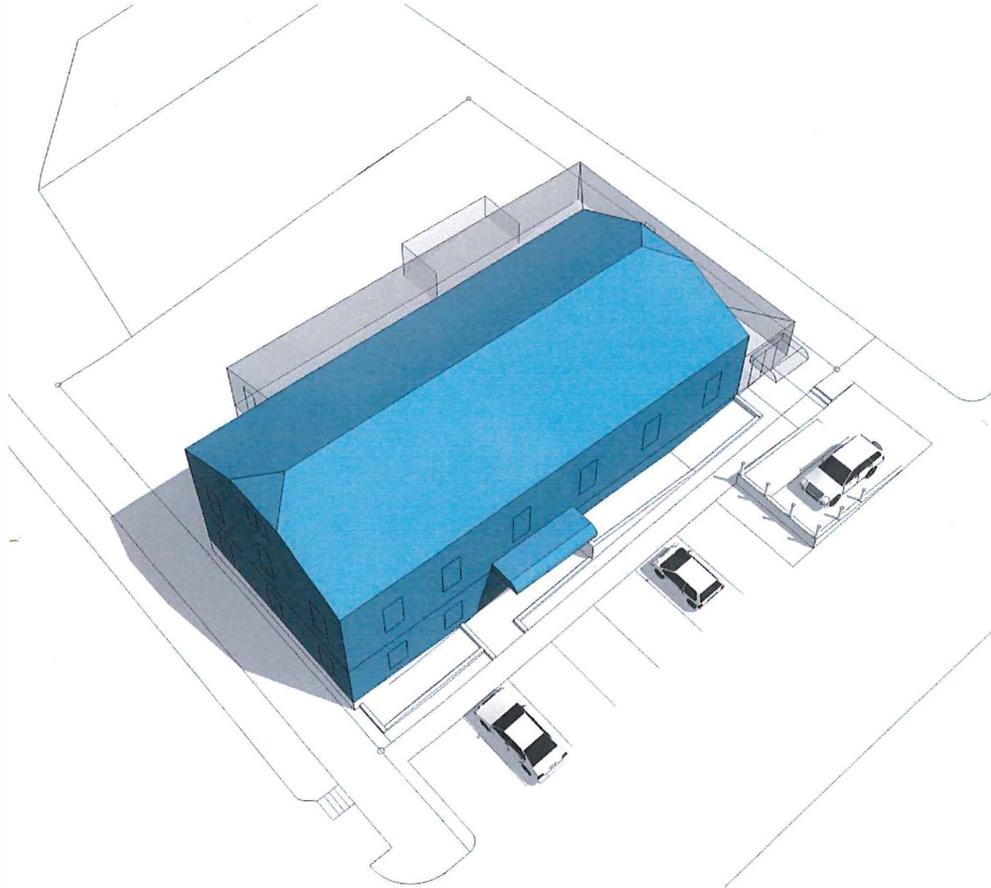
SYSTEMS AND INFRASTRUCTURE



OPTION 01

EXISTING BUILDING RENOVATION

Gross Building Area:	6,610 SF
Net Usable Area (-20%):	5,288 SF
Construction Cost:	\$1,939,000
Project Cost (+30%):	\$2,520,700

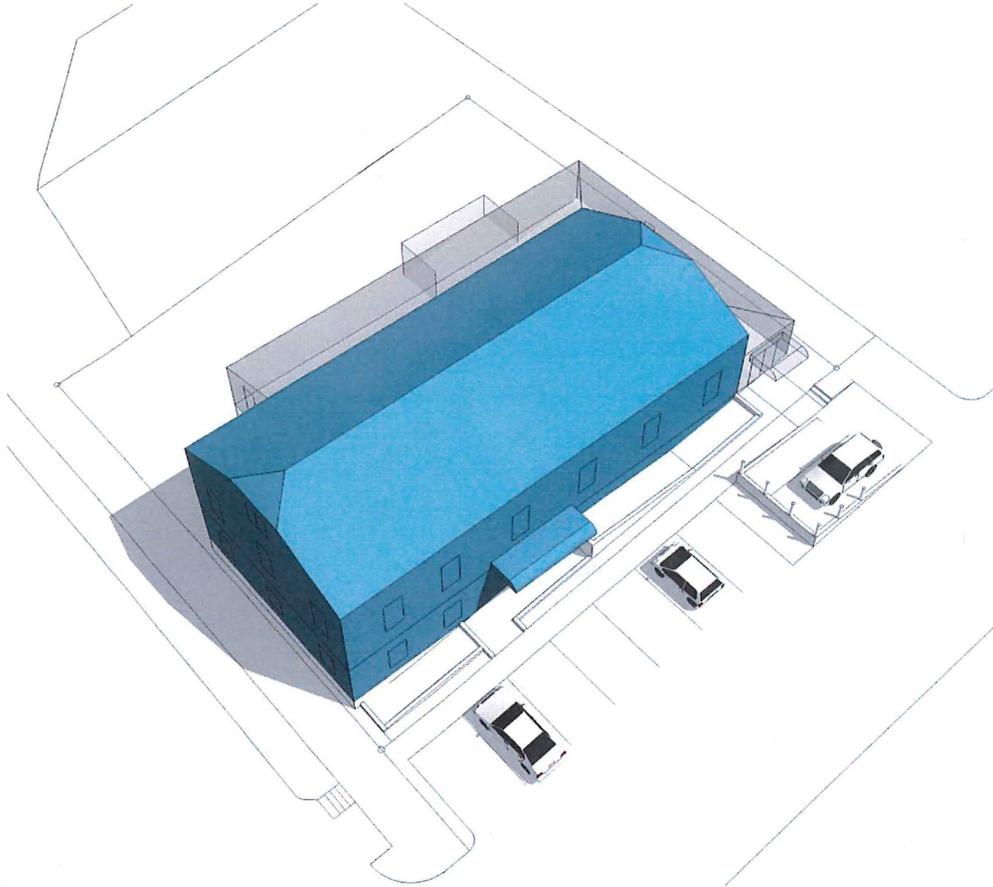


OPTION 01

EXISTING BUILDING RENOVATION

Pros

- Property is already City-owned
- Prominent downtown location
- Maintains use of historic structure and historic location of City Hall

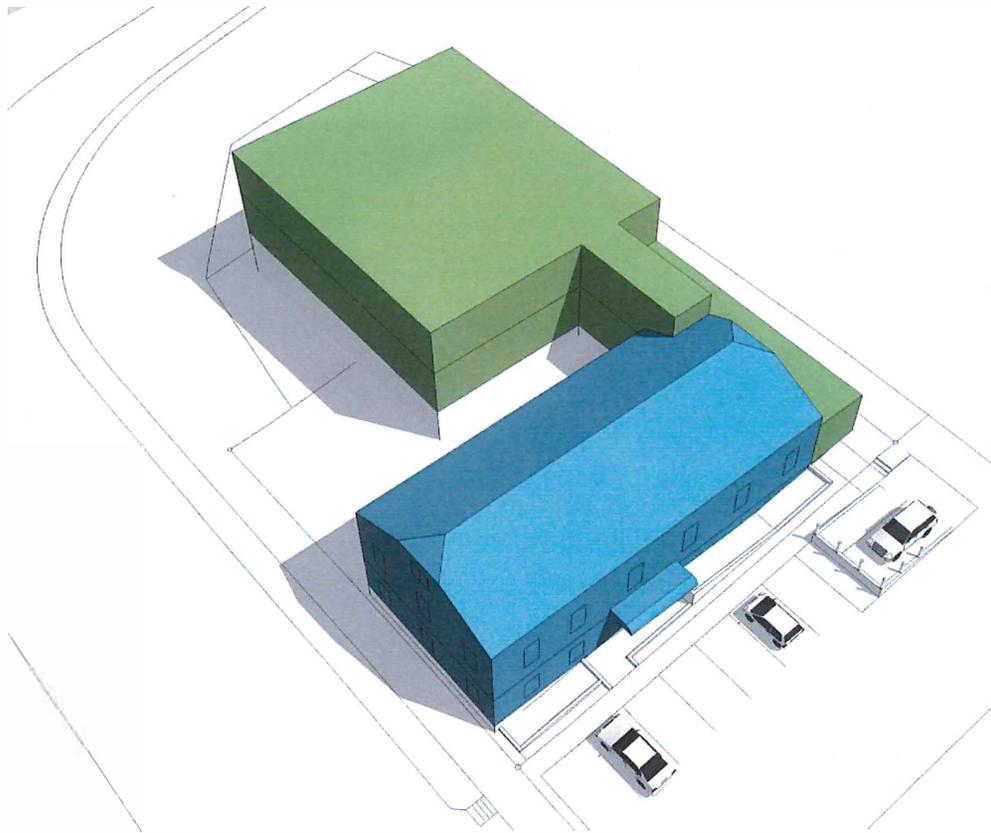


OPTION 01

EXISTING BUILDING RENOVATION

Cons

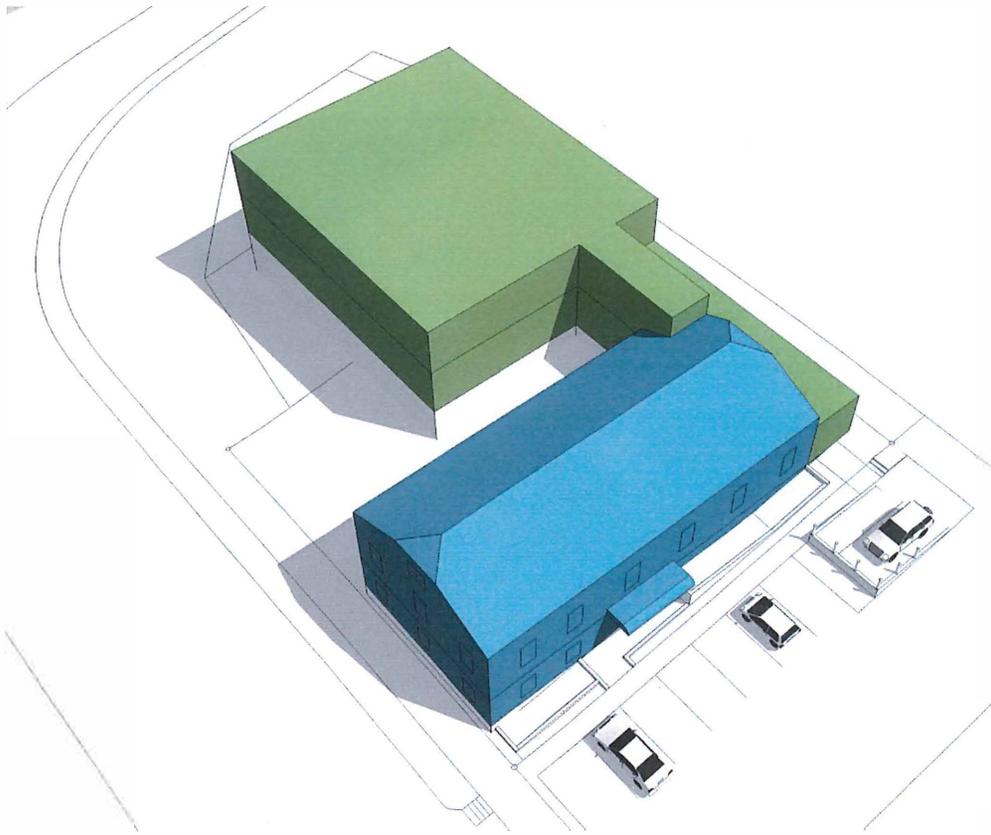
- Inadequate parking, with need for ADA parking further reducing parking spaces
- Size does not meet the 17,000 SF program goal for City Hall usage
- Existing building configuration not efficient for a 21st century city hall
- Increased risk of unknown conditions related to existing building
- Loss of downtown commercial space opportunity
- Old building requires higher long-term maintenance cost with more limited life expectancy
- Accessibility compromises with existing building and site
- Less opportunity for energy efficient building systems and envelope



OPTION 02

EXISTING BUILDING RENOVATION + 2-STORY ADDITION

Gross Building Area:	17,000 SF
Net Usable Area (-20%):	13,600 SF
Construction Cost:	\$6,287,000
Project Cost (+30%):	\$8,173,100

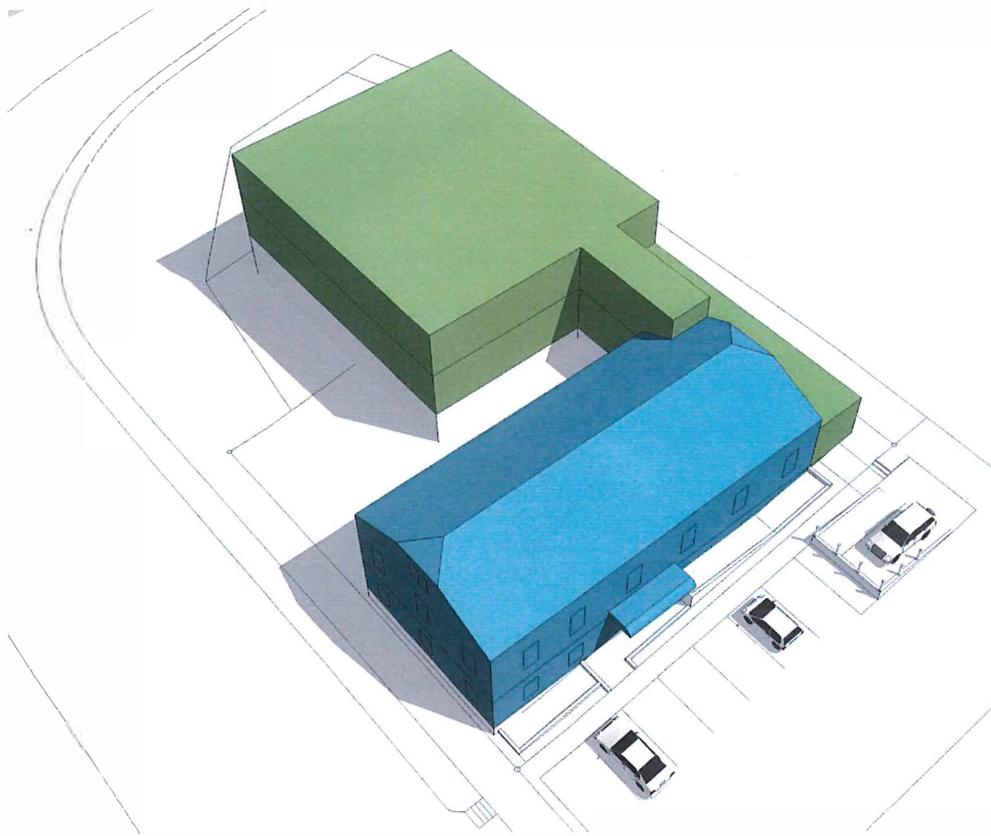


OPTION 02

EXISTING BUILDING RENOVATION + 2-STORY ADDITION

Pros

- Meets the 17,000 SF program goal for City Hall usage
- Property is already City-owned
- Prominent downtown location

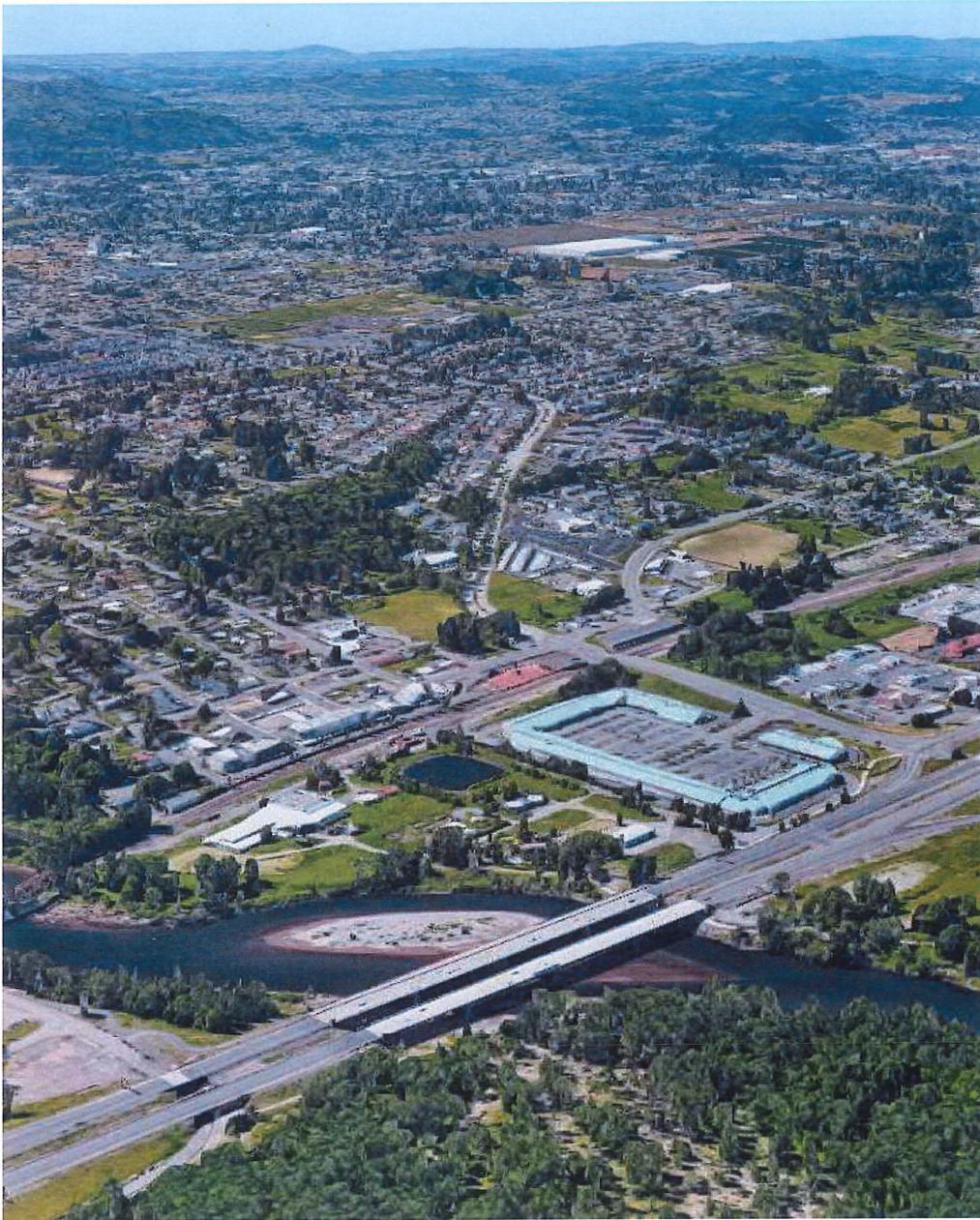


OPTION 02

EXISTING BUILDING RENOVATION + 2-STORY ADDITION

Cons

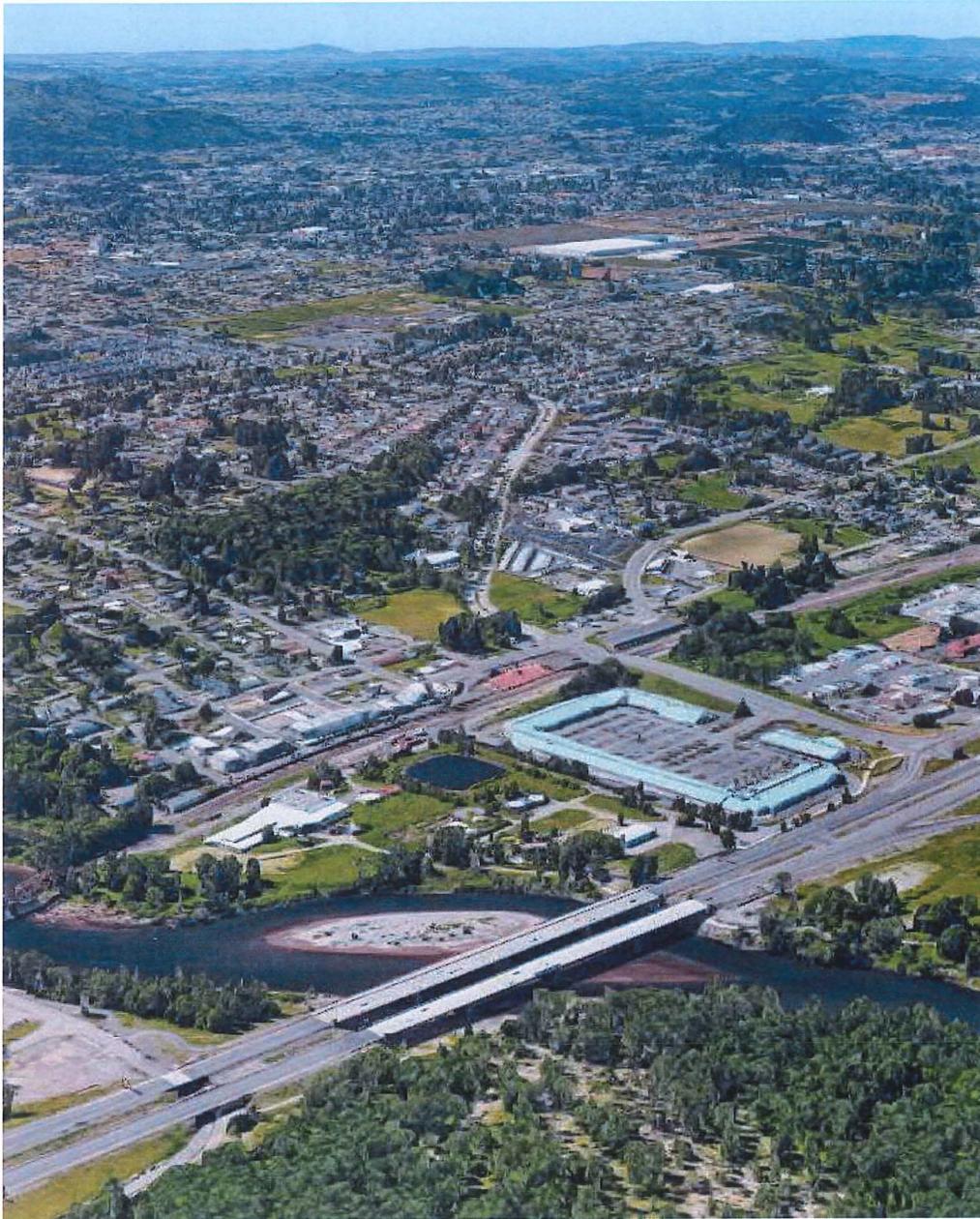
- Substantially inadequate parking in relationship to new building size
- Exacerbates parking problems throughout downtown
- New addition size and limited areas for placement on site complicate integrity and expression of historic structure
- Existing building and site constraints limit planning flexibility
- Existing building configuration not efficient for a 21st century city hall
- Increased risk of unknown conditions related to existing building and challenging slope and soils
- Loss of downtown commercial space opportunity
- Accessibility compromises with existing building and site
- Less opportunity for energy efficient building systems and envelope



OPTION 03

NEW CITY HALL ON TBD SITE

Gross Building Area:	17,000 SF
Net Usable Area (-20%):	13,600 SF
Construction Cost:	\$7,114,000
Project Cost (+30%):	\$9,248,200

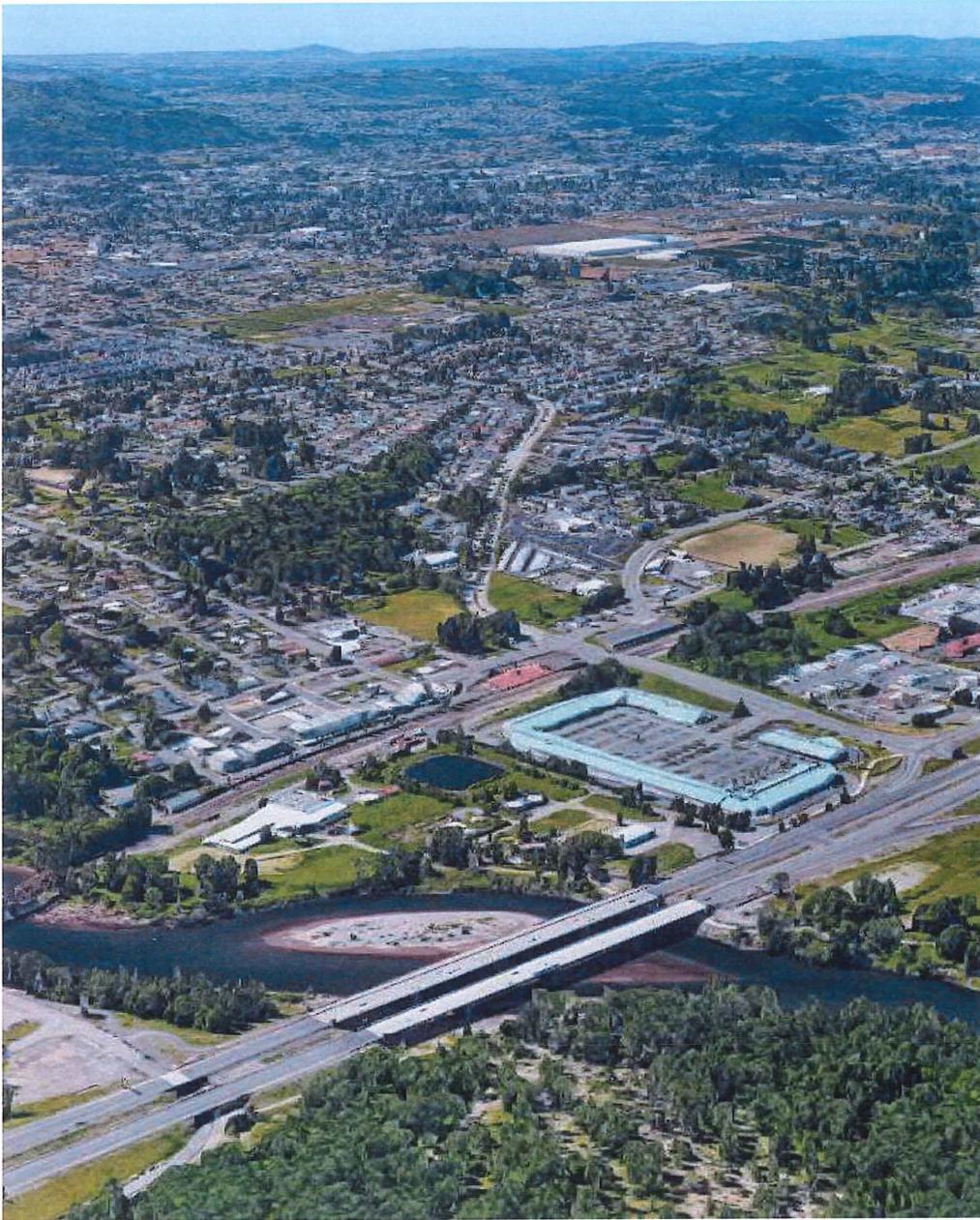


OPTION 03

NEW CITY HALL ON TBD SITE

Pros

- Optimum design, planning and staffing efficiency from a “clean slate” site provides better service delivery model to citizens
- Opportunity to integrate with Town Center planning efforts
- Frees up commercial storefront / office space in downtown core on Historic Columbia River Hwy
- Lowered risk of unknown conditions
- Lowered maintenance cost for an all-new building
- Potential for on-site parking accommodation
- Greater potential for efficient systems and sustainable architecture
- Reuse options for existing City Hall building available
- Better opportunity for modern meeting spaces including council chambers

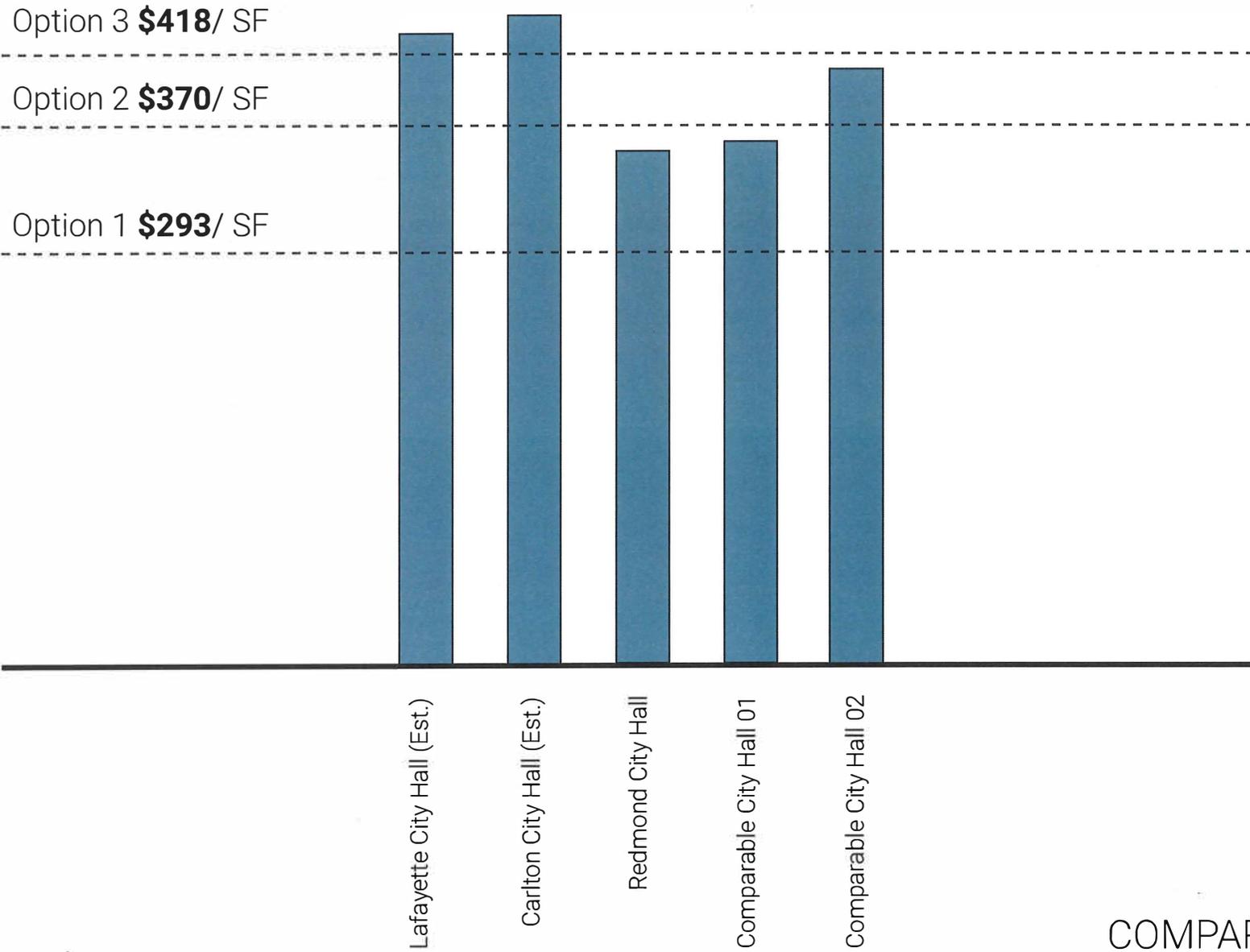


OPTION 03

NEW CITY HALL ON TBD SITE

Cons

- Overall highest initial cost
- Land acquisition costs are unknown
- Potential site development costs are unknown



COMPARABLE COSTS



CARLTON CITY HALL

Building Information

- Population: 2,134
- 10,765 sf (City Hall 5,500 sf)
- \$427/sf Building Estimate

- 2 Story Building
- Combined City Hall / Police Station



LAFAYETTE CITY HALL

Building Information

- Population: 4,116
- 15,850 sf (City Hall 6,100 sf)
- \$420/sf Building Estimate

- 1 Story Building
- Combined City Hall / Fire Station

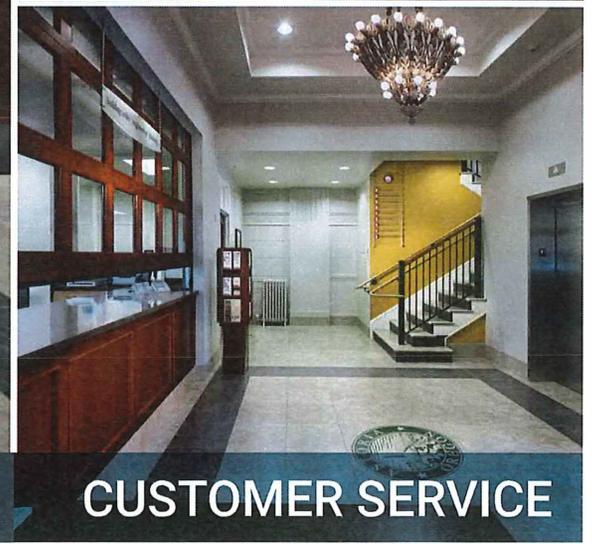
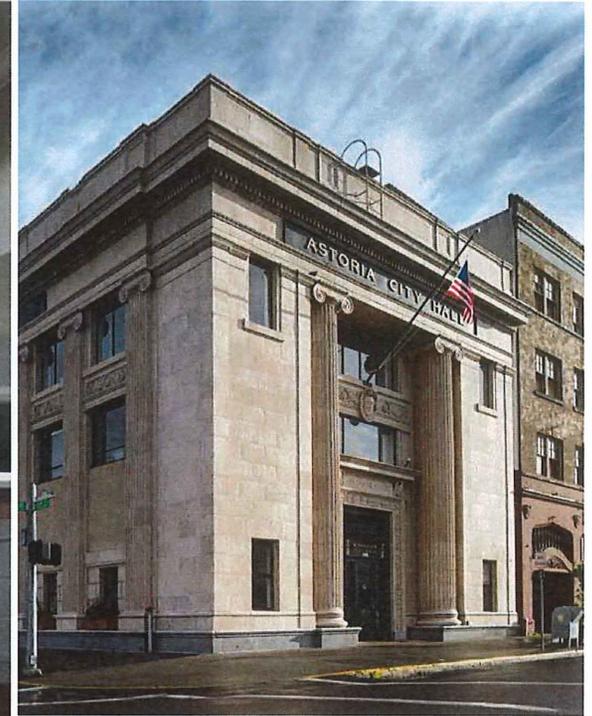
COMPARABLE COSTS



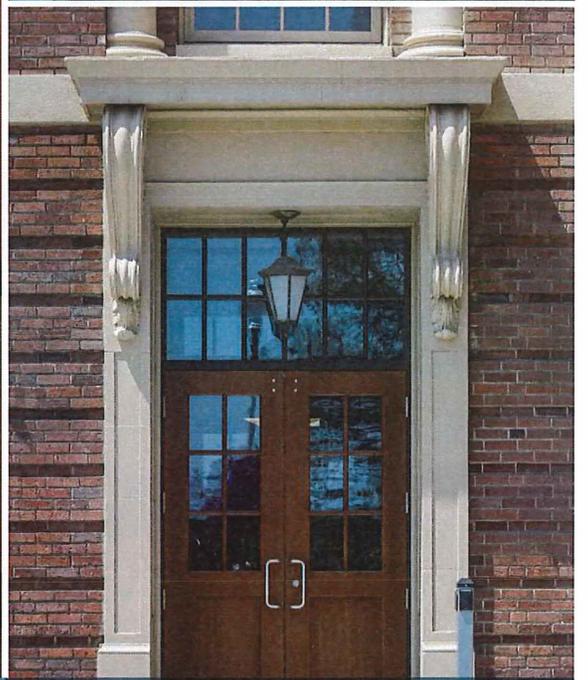
PURPOSE



PURPOSE



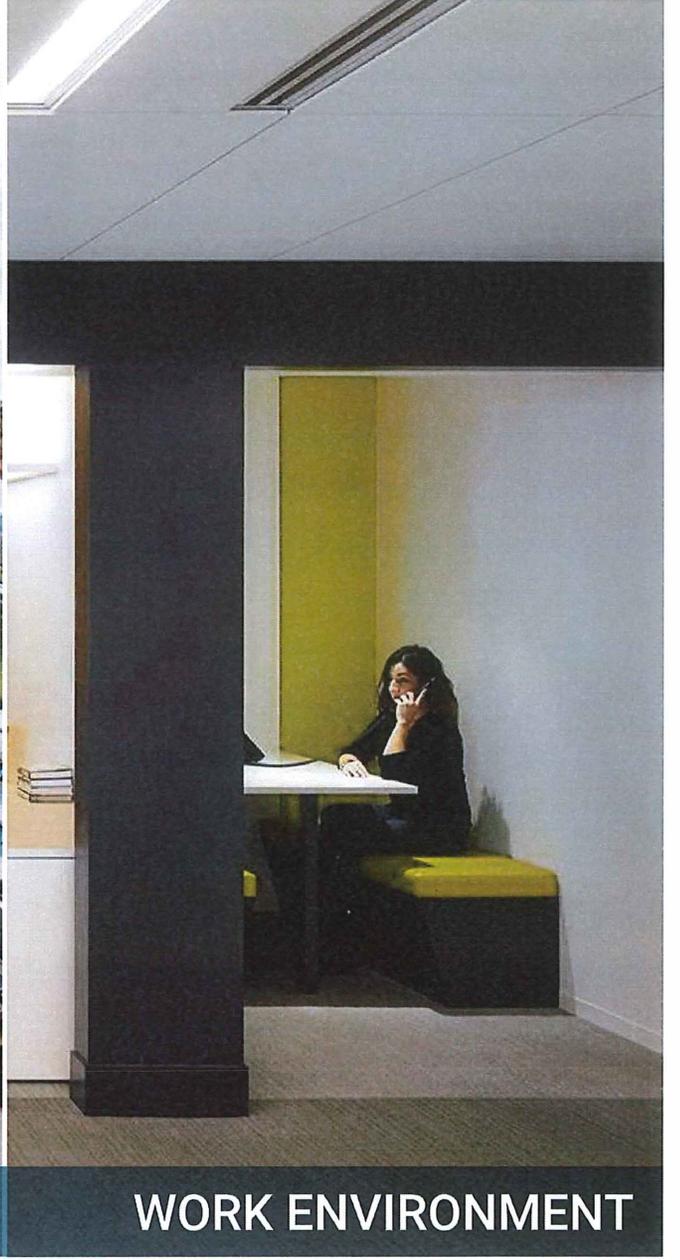
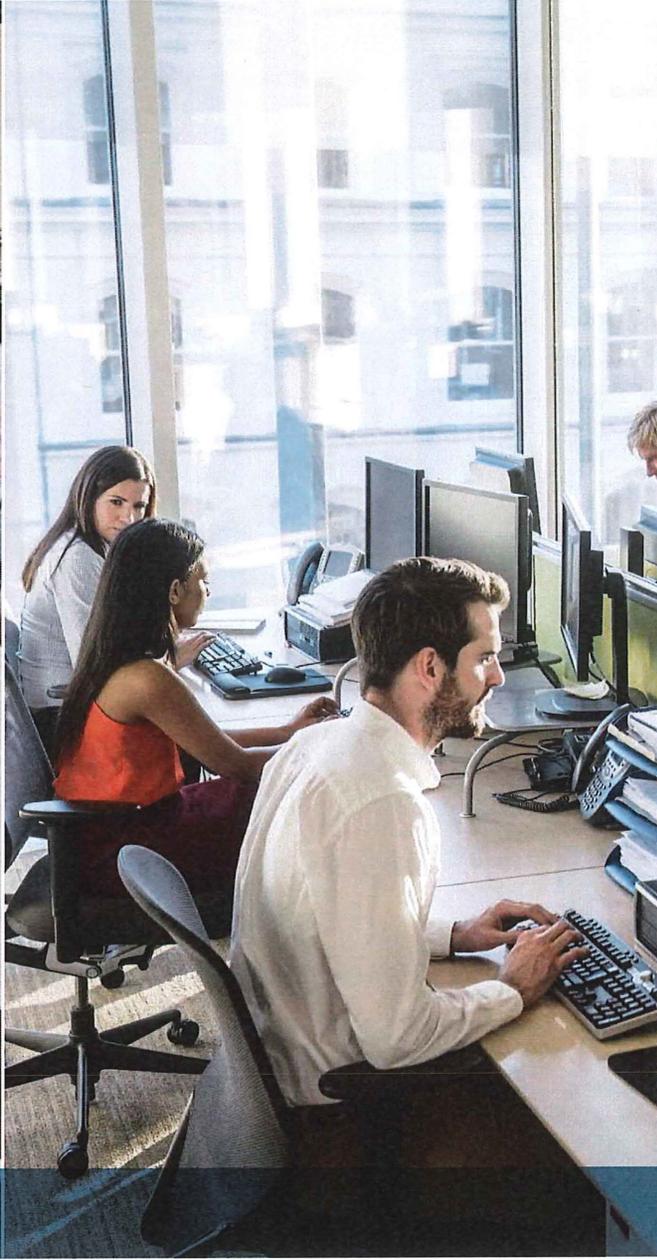
CUSTOMER SERVICE



CUSTOMER SERVICE



WORK ENVIRONMENT



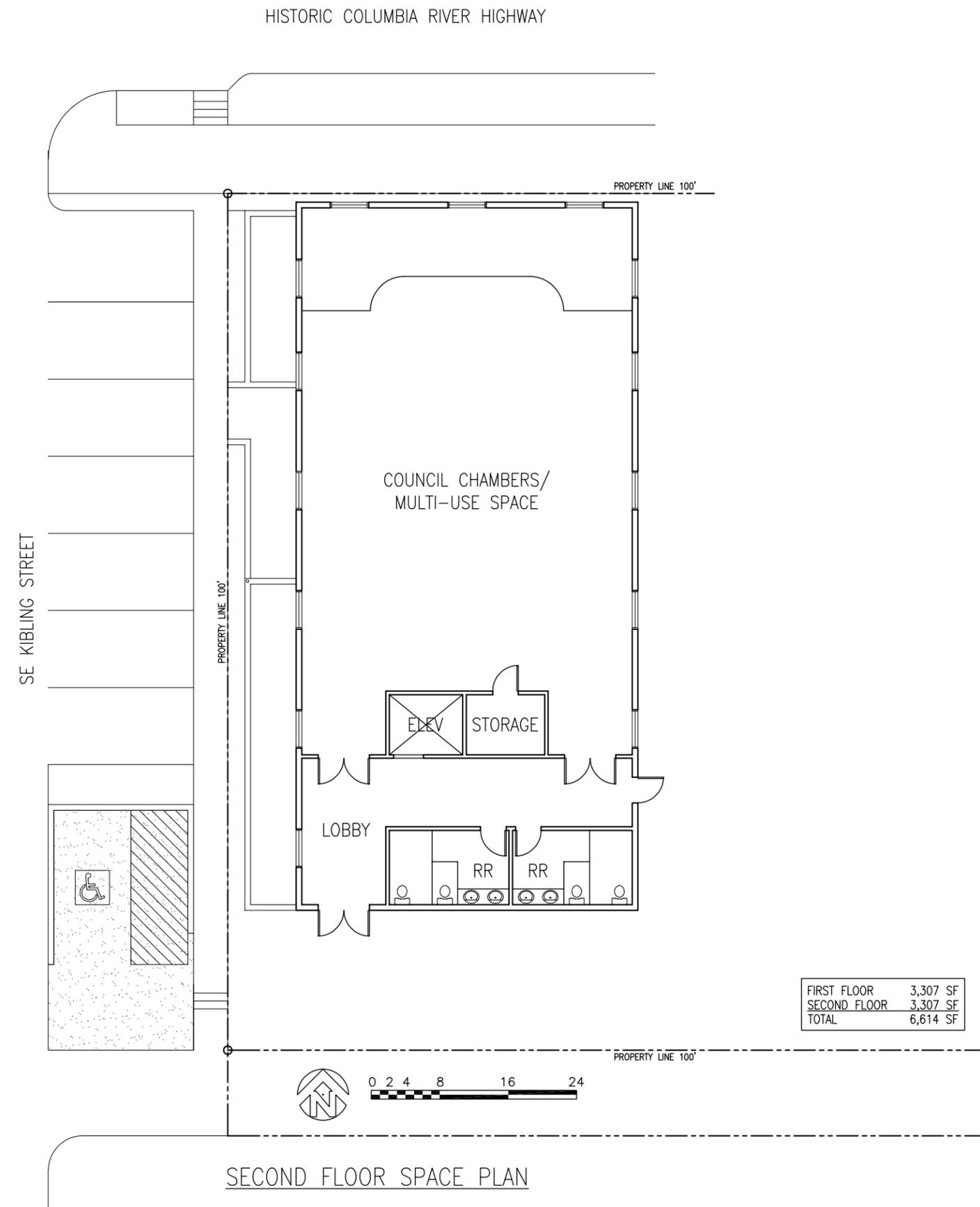
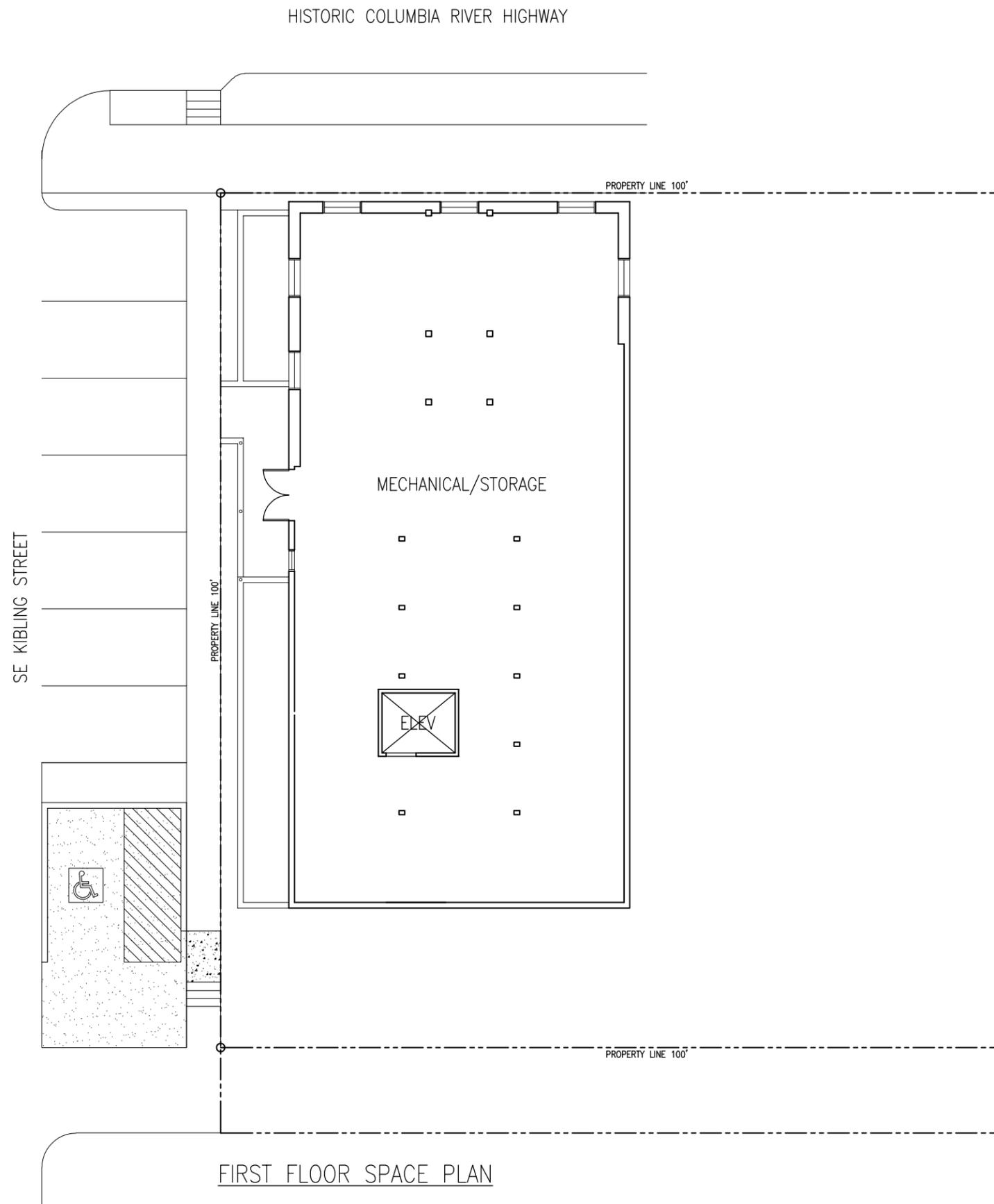
WORK ENVIRONMENT

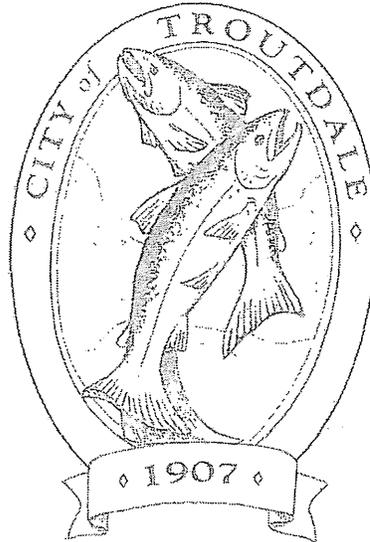


QUESTIONS?

OPTION B: COMMUNITY SPACE + NEW CITY HALL ON TBD SITE

Exhibit C
1/22/19 Council Mtg #7





**TROUTDALE CITY HALL
STRUCTURAL REPAIR
RECOMMENDATIONS**

December 19, 2011



Prepared By:
BBL Architects
200 N. State Street
Lake Oswego, OR 97034

Miller Consulting Engineers Inc.
9570 SW Barbur Boulevard, Ste. 100
Portland, OR 97219

H & A Construction Inc.
14945 SW 72nd Avenue
Tigard, OR 97224

CONTENTS

SUMMARY	1
FLOOR PLANS OF THE BUILDING	2
BACKGROUND	2
INVESTIGATION OF ISSUES	3
SAFETY OF THE BUILDING	5
RECOMMENDATIONS FOR REPAIRS	6
BUDGET	10
SCHEDULE	14
APPENDIX	
Letter from Miller Consulting Engineers Inc. dated February 8, 2011	
Letter from Miller Consulting Engineers Inc. dated May 17, 2011	
Geotechnical Consultation report prepared by GEOCON Northwest Inc., dated August 2011	
Demand to Capacity Ratios prepared by Miller Consulting Engineers Inc.	
Troutdale City Hall Structural Repairs and Renovation Cost Forecast –Project No. 1 dated December 16, 2011	
Troutdale City Hall Structural Repairs and Renovation Cost Forecast –Project No. 2 dated December 16, 2011	
Troutdale City Hall Structural Repairs and Renovation Cost Forecast – Project No. 3 dated December 16, 2011	

SUMMARY

The existing City Hall requires immediate attention if the City plans to continue to occupy the building. The roof trusses and the joists in the area damaged by fire are overstressed when taking into account snow load. The foundations under the original construction at the south end of the building are slowly settling which has created distress the building and will result in an overstressed condition in the floor joists of the council chambers if the foundations are not repaired. A full lateral load analysis of the building has not been conducted yet, but should be included in any repair project.

Analysis of the roof trusses shows a demand to capacity ratio for dead load of 0.74-1.14 varying with assumptions of historical characteristics of the lumber. If snow load is taken into account the demand to capacity ratio is 1.77-2.73. Based on the theoretical capacity of the trusses, any appreciable snow load will result in an increasing level of risk to the occupants of the building. Beam or truss failure could result in a partial collapse of the roof structure.

There are relatively simple measures that should be implemented immediately to reinforce the roof trusses and reduce the risk of a structural failure. These measures include reinforcement of the beam at the council chambers, the addition of plates and bolts at the truss connections, and tightening of the tension rods, as recommended by Miller Consulting Engineers in their reviews attached in the appendix. These repairs are forecasted to cost from \$60-65,000.

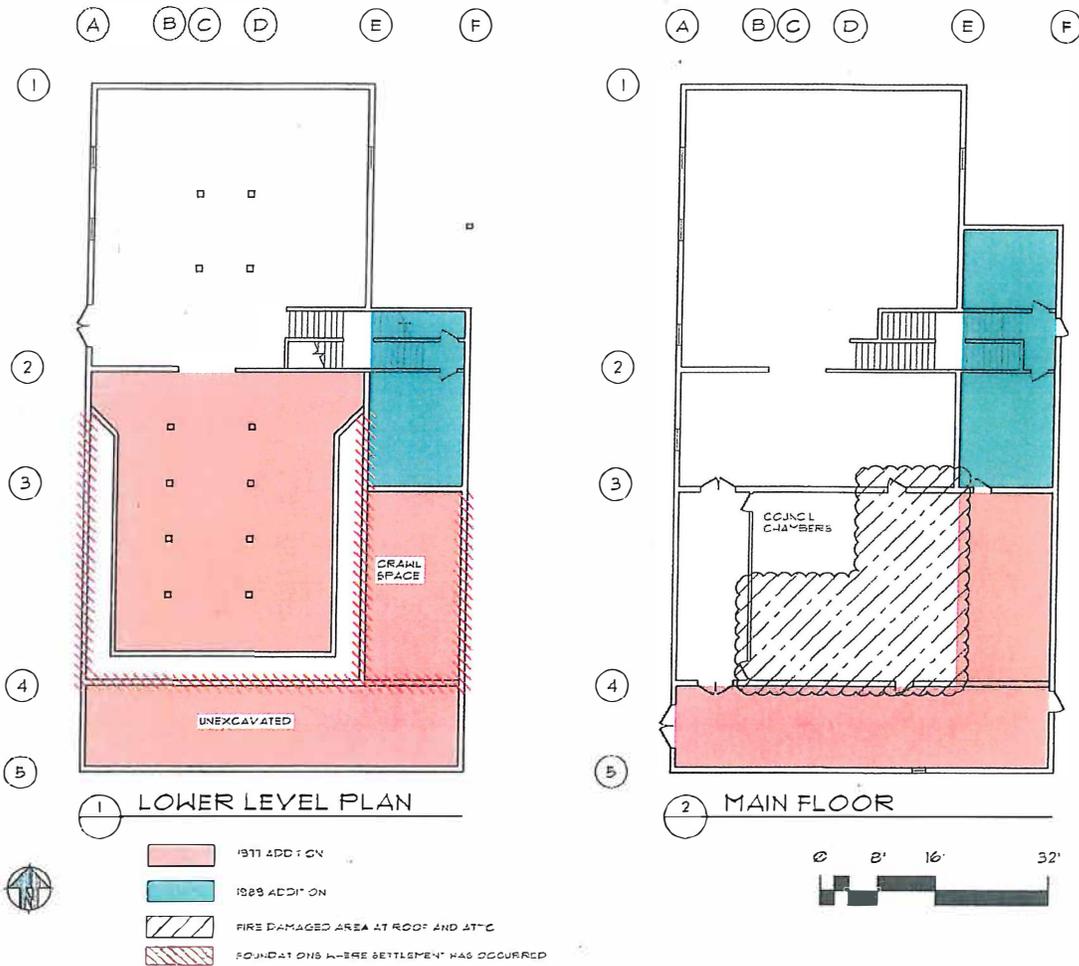
Following the reinforcement of the roof trusses, recommended repairs to the building should be implemented immediately.

This report contains four options for proceeding with the repairs of the building.

The **next step** for the city is to select an option for repair of the City Hall and begin the repairs to the building.

FLOOR PLANS OF THE BUILDING

The plans illustrate the areas of the various additions to the original building and the location of the fire damage at the roof and attic. Walls shown include exterior walls, shear walls and the council chamber. Other interior walls are omitted.



BACKGROUND

Troutdale City Hall was constructed in 1923. Originally the building consisted of a dance hall on the upper level and the City offices on the north end of the lower level. The original structure is characteristic of the simple bungalow style of the area with a low gable roof, exposed rafter tails, horizontal wood siding, and simple trim around the windows and the doors. It does not exhibit any significant stylistic features, and therefore has limited value as a historical structure. It has been remodeled and added onto over its life including a remodel in the late 1970's that added onto the south and east sides while also turning the council chambers to an east-west orientation. Another addition was

constructed in 1989 on the north east corner which houses the City Managers office, and a conference room on the upper level and the City's computer network on the lower level.

Approximately two years ago, a residential structure to the east of the City Hall was removed, and the residual hole in the ground was backfilled and compacted. Following the removal of that structure, city staff began to notice that some doors were sticking, then some of the floors began to develop a noticeable slope, and walls began to crack at door frames and at inside corners. Miller Consulting Engineers Inc. was contacted to investigate the causes and extents of the damage. The City contacted GEOCON Northwest to perform a geotechnical study of the soil conditions around the City Hall building. This report represents the assessment of the Miller Consulting Engineers reports, the Geotechnical study and input from H&A Construction to provide the City with a base minimum repair recommendation, and three alternatives. The report includes a narrative of the recommended repairs and an estimated timeline to facilitate a decision on a preferred plan to move forward.



INVESTIGATION OF ISSUES

The following information is a list of the issues identified in the Engineering reports, identified in the soils report, or observed on site by visual inspection.

Refer to attached structural assessments by Miller Consulting Engineers Inc. (reports dated February 8, 2011 and May 17, 2011). A geotechnical study and report was also

prepared in response to the structural studies. The geotechnical report was prepared by GEOCON Northwest Inc. and is dated August 2011.

In a meeting on November 14, the building official, Dick Bohlman, stated that the foundation settlement is a structural issue that is ongoing and has to be repaired if the building is to be occupied.

Site Issues:

- Flower bed at the SW corner slopes toward the building, drains water to the face of the building and through an opening in the foundation.
- Soil is backfilled against the wood siding on the south side of the building and at several locations on the east and west sides of the building. Causing rot in the siding provides a path for insects and other vermin.
- Geotechnical report has identified layers of loose and medium density soil below the building with a layer of more stable Sandy River Mudstone below that. The loose soils are subject to differential settlement.
- Site slopes do not meet code requirements for accessible route. (See Accessibility below.)

Foundations:

- Settlement of the perimeter foundation at the south wall of the original building (Grid 4 between Gridlines A and E).
- Settlement of the perimeter foundation at the east wall of the original building (Grid E between Gridlines 2.5 and 4).
- Settlement of the perimeter foundation at the west wall of the original building (Grid A between Gridline 2.5 to 4).
- Ground Water intrusion at the southwest corner of the lower level.
- Loose and medium dense soil uphill from the building and beneath the building that is subject to dynamic settlement.

Roof Structure:

- The glulam beam supporting the roof on Gridline E between Gridlines 3 and 4 is deflecting excessively, and was notched to receive the roof truss during the 1977 addition.
- Roof rafters are overstressed under the design snow load.
- Several roof rafters are damaged from a previous fire.
- The roof trusses are overstressed under the design snow load.
- Skip sheathing has been burnt through where the fire occurred. It was covered over with plywood sheathing but the plywood was not adequately nailed to the rafters in those areas.
- The tie-rods in the trusses have loosened.

Building Envelope:

- Lack of vapor barrier at the crawl spaces.
- Siding on the south wall and the west wall extends below grade.

Interior Finishes:

- Lack of vapor barrier at the crawl spaces.
- Floor slopes down to Gridline 4 in the corridor to the south of Gridline 4. Relates to the settlement of the footing on Grid 4.
- 4 (four) single doors and one pair of doors in the City Hall have racked frames, and have to be cut-off at an angle to allow doors to swing. Relates to settlement of the foundations.
- Cracking of the drywall or plaster can be seen in many locations on the upper level in the south half of the building. Relates to settlement of the foundations.

Accessibility:

- The site does not meet requirement for accessible route from the public way to the public entry.
- The parking does not meet cross slope requirements for accessible parking.
- The building has two levels with no accessible route connecting the upper and lower levels.
- The interior finishes and amenities were installed prior to the Americans with Disabilities Act and there are likely features on the interior that require upgrades to accommodate both disabled public visitors and disabled employees.

SAFETY OF THE BUILDING

The Structural Engineer was asked to evaluate the demand to capacity ratio (D/C) of the existing structure. The engineer used current code requirements for design snow load and live loads, and also used historical lumber values to calculate the capacity of the framing members. The calculated D/C values for the members show a generally overstressed situation when taking into account the snow load and live loads on the roof. The floor joists supporting the upper level floor are taking a great deal of stress as the existing footings settle leaving the joists cantilevered over the top of the basement retaining walls. As the footings continue to settle the joists will become overstressed and begin to fail. The area of the glulam beam and the truss over the council chambers is overstressed to the point of failure and should continue to be supported by the scaffolding until repaired. The demand to capacity values are included in the Appendix.

RECOMMENDATIONS FOR REPAIRS

The following recommendations require the occupants of the building to be relocated throughout the construction work to a different site. Many of the building areas will be engaged in active construction and the areas not under construction will be impacted by construction noise and activity to the extent that city staff would be distracted by the work. The site will also be encumbered with heavy excavation equipment and will be hazardous to the safety of individuals in close proximity to the work.

Project No. 1 Minimum Building Repair Scope to Continue to Occupy the Building:

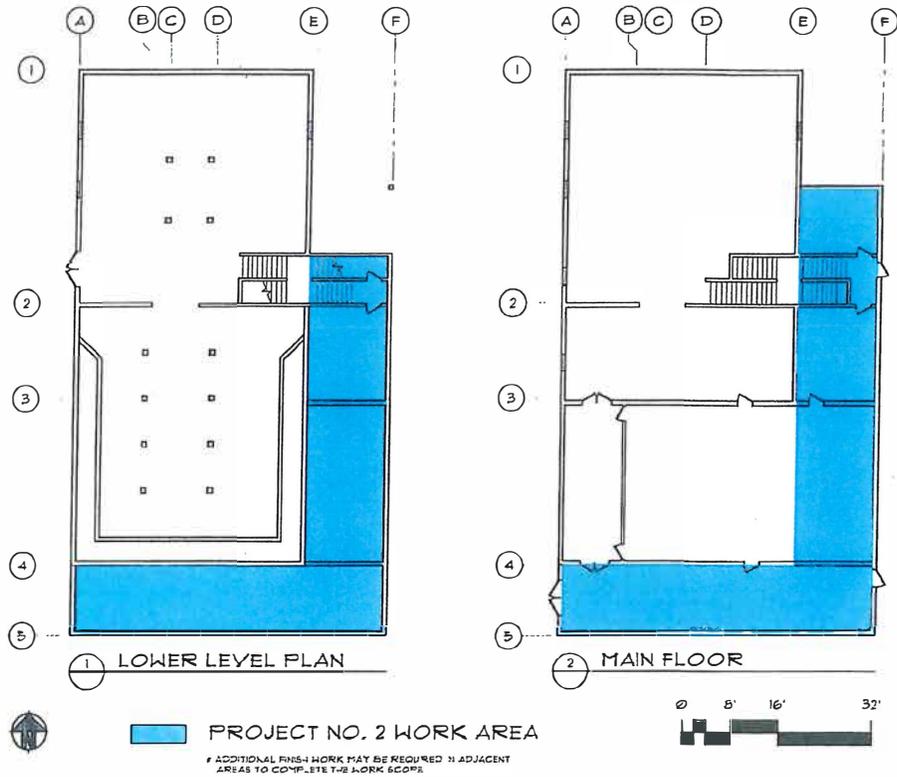
The following recommended repairs of this option are required: to protect the safety of the occupants, to protect the building from further damage due to settlement of the foundations, to provide adequate structure to meet current seismic and snow loads, and to provide increased accessibility of the building for disabled visitors and workers. (The building code requires up to 25% of the cost of construction to be applied to the removal of architectural barriers to accessibility.) This option does not replace the 1977 and 1989 additions to the original building on the south and east sides, following the repair of the foundations. If this option is selected without Project No. 2, there would need to be more extensive remodeling of the existing building to accommodate some of the displaced functions such as public restrooms, conference rooms and the computer room. Uses that are displaced will need to be relocated to other existing city facilities, existing space leased by the city, or could be housed in new space constructed for the city. The city will need to make decisions about which uses could be moved elsewhere and the remaining space will need to be reconfigured to accommodate the remaining functions.



1. Reinforce the truss connections and tighten the tie rods.
2. Upgrade the shear walls and other lateral systems to relieve the truss knee braces.
3. Remove the existing 1977 and 1989 additions completely to access the footings of the original building.
4. Shore up the perimeter footing of the existing building and remove the existing exterior footing.
5. Excavate for a new grade beam foundation bearing on helical piers at Gridlines A and E from Gridline 2 to 4, and on Gridline 4 from Gridline A to E.
6. Install helical piers approximately 6' o.c. around perimeter into the mudstone. Include (2) additional piers at large point loads at the ends of the glulam beam in the Council Chambers.
7. Install a vapor barrier in the remaining crawl spaces.
8. Support the existing glulam beam in the Council Chambers with a new infill exterior wall.
9. Remove the roof, sheathing and spaced sheathing in the fire damaged area over the Council Chambers as indicated on the plan. Nail laminate new joists approximately $\frac{3}{4}$ " higher than the existing joists to make up for the removed spaced sheathing. Attach roof sheathing to new joist, sheathing to break over the joist. Nail the new sheathing per the building code requirements for diaphragm sheathing. Reinstall the fall protection anchors.
10. Provide new roofing in affected area.
11. Remodel the main level to accommodate the Council Chambers in a north-south orientation and to supporting functions such as public restrooms.
12. Replace siding and roof overhangs on the exterior of the building where the 1977 and 1989 additions were removed.
13. Upgrade the accessible route of travel from the public right-of-way, and upgrade the accessible parking. Provide upgrades to accessible route of travel through the building. (Upgrades are required to a minimum of 25% of construction cost of the project.)

Project No. 2 Reconstruction of 1977 and 1989 Additions:

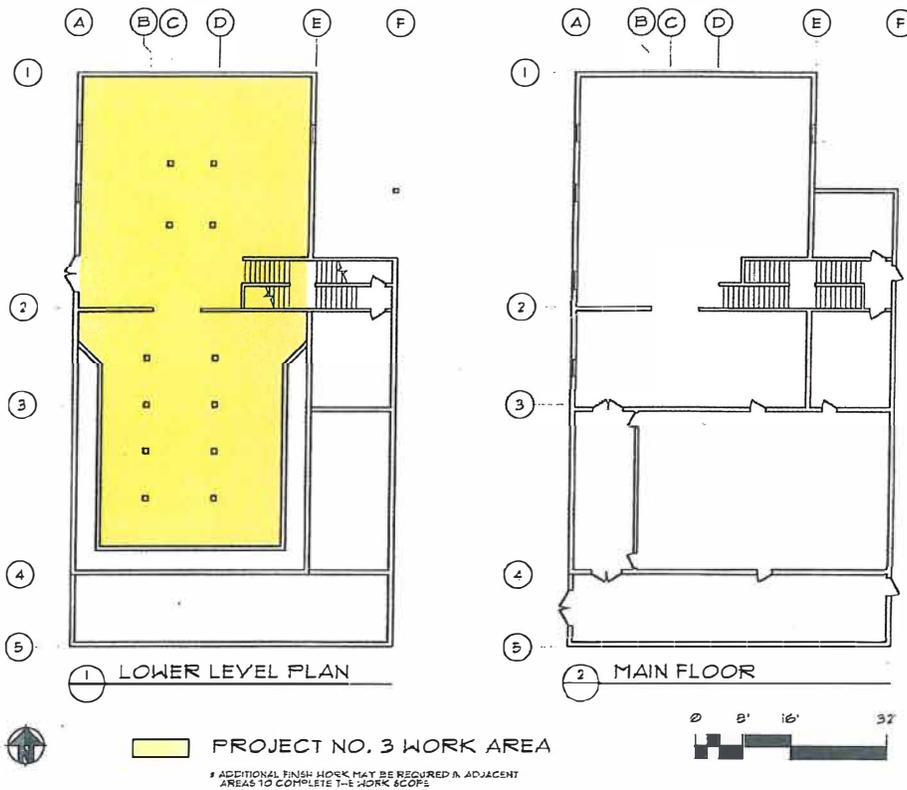
Project No. 2 includes the reconstruction of the 1977 and 1989 additions on the east and south sides of the building. The council chambers would remain in the existing orientation with new public restrooms in the reconstructed section of the building. This project would be added to Project No. 1. Some of the interior remodeling of the main floor of the building required in Project No. 1 would not be necessary since the functions will be accommodated within the added square footage.



1. Reconstruct the areas of the 1977 and 1989 additions. Extend the foundations to a minimum of 12" above the finished grade.

Project No. 3 – Additional Foundation Repair:

This option would be selected only if Project No. 1 were also selected. This project would provide improved soil bearing under the deep foundations under the north half of the lower floor and under the basement that was added in 1977. The Geotechnical report indicates a layer of loose or medium dense soil above the more dense layer of Sandy River Mudstone. The entire building may be sitting over this layer of material. Damaging settlement has not been observed at the lower level foundations or the foundations under the posts supporting the upper floor; however these soils could experience dynamic settlement in a seismic event or other type of ground vibration related causes. Dynamic settlement could cause further structural cracking and differential movement in the building but there is a low risk of catastrophic failure due to this dynamic settlement. The city may decide not to proceed with this repair alternative unless settlement is observed in the future. This alternative is included only to give the City an idea of cost should settlement of the soil supporting these foundations occur. If this alternative is implemented:



1. Remove the retaining walls and paved areas around the perimeter of the north half of the building.
2. Shore the existing perimeter foundation around the north half of the building.
3. Excavate for the new grade beam to support the building.
4. Install helical piers approximately 6' o.c. around perimeter to the mudstone.
Additional piers required at large point loads.
5. Shore up the interior main floor structure.

6. Remove the posts and footings supporting the main floor structure.
7. Install helical piers at each location and cap with concrete.
8. Reinstall the supporting posts.
9. Accessibility upgrades to 25% of construction cost.

Project No. 4 – Vacate City Uses From the Building

Do not repair the existing building. The City could choose to disclose all known damage to the building, sell the property and move the existing city functions to another location. The City could construct a new building for City Hall, lease space in an existing building for City Hall functions, or purchase an existing building in which to relocate City Hall.

This option requires no cost to repair the City Hall Building. The BBL team can provide additional cost comparisons related to moving and leasing or purchase of additional space in the City if requested.

BUDGET

The following budget forecasts were determined using comparable project cost data obtained from project of similar size and scope. The budgets are not cost estimates. Detailed design drawings showing the scope of the repair projects has not been completed, and a detailed quantity take-off method of estimating is not possible with the information currently available. The following budgets, if approved, should be adequate to complete the repairs as currently identified. Each of the project scopes is presented with a “least cost” and a “most preferable” range of cost. This range should be considered as the low end and the high end depending on the decisions made by the City and the design team.

More detailed breakdowns of the budgets are included on the following pages.

<u>Scope</u>	<u>Least Cost</u>	<u>Most Preferable</u>
Project No. 1	\$875,000	\$1,100,000
Project No. 1 and 2	1,643,000	1,961,000
Project No. 1 and 3	2,007,000	2,531,000
Project No 1, 2, and 3	2,775,000	3,392,000

**Troutdale City Hall
Structural Repairs and Renovation
Cost Forecast - Project No. 1
December 16th, 2011**

Activity	Least Cost	Most Preferable
General Conditions	48,000	58,000
Sitework	78,000	101,000
Building	234,000	287,000
Exterior Access Allowance	50,000	70,000
ADA Upgrade Allowance	103,000	129,000
Subtotal	\$ 513,000	\$ 645,000
Insurance	6,000	8,000
OH & P	87,000	109,000
Contingency (5%)	30,000	38,000
Hard Construction Budget	\$ 636,000	\$ 800,000
Soft Cost Allowance (25%)	159,000	200,000
Subtotal	\$ 795,000	\$ 1,000,000
Project Contingency (10%)	80,000	100,000
Project Budget Totals	\$ 875,000	\$ 1,100,000

**Troutdale City Hall
Structural Repairs and Renovation
Cost Forecast - Project No. 2 (additive alt. to Proj. 1)
December 15th, 2011**

Activity	Least Cost	Most Preferable
General Conditions	48,000	58,000
Sitework	See Proj. 1	See Proj. 1
Building	312,000	346,000
Exterior Access Allowance	See Proj. 1	See Proj. 1
ADA Upgrade Allowance	90,000	101,000
Subtotal	\$ 450,000	\$ 505,000
Insurance	5,000	6,000
OH & P	76,000	85,000
Contingency (5%)	27,000	30,000
Hard Construction Budget	\$ 558,000	\$ 626,000
Soft Cost Allowance (25%)	140,000	157,000
Subtotal	\$ 698,000	\$ 783,000
Project Contingency (10%)	70,000	78,000
Project Budget Totals	\$ 768,000	\$ 861,000

**Troutdale City Hall
Structural Repairs and Renovation
Cost Forecast - Project No. 3 (additive alt. to Proj. #1)
December 16th, 2011**

Activity	Least Cost	Most Preferable
General Conditions	48,000	58,000
Sitework	114,000	139,000
Building	369,000	474,000
Exterior Access Allowance	See Proj. 1	See Proj. 1
ADA Upgrade Allowance	133,000	168,000
Subtotal	\$ 664,000	\$ 839,000
Insurance	8,000	10,000
OH & P	112,000	142,000
Contingency (5%)	39,000	50,000
Hard Construction Budget	\$ 823,000	\$ 1,041,000
Soft Cost Allowance (25%)	206,000	260,000
Subtotal	\$ 1,029,000	\$ 1,301,000
Project Contingency (10%)	103,000	130,000
Project Budget Totals	\$ 1,132,000	\$ 1,431,000



CITY OF TROUTDALE



STAFF REPORT

SUBJECT / ISSUE:

Discussion of BB&L report "Troutdale City Hall, Structural Repair Recommendations"

MEETING TYPE:

City Council Special Mtg.

MEETING DATE: Thursday, January 10, 2012

STAFF MEMBER: Charlie Warren

DEPARTMENT: Public Works

ACTION REQUIRED

Information/Discussion

ADVISORY COMMITTEE/COMMISSION RECOMMENDATION:

Not Applicable

PUBLIC HEARING

No

Comments:

STAFF RECOMMENDATION:

1. Approve City Hall needs assessment proposal from BBL @ \$16,030
2. Approve expenditure of funds as necessary for roof truss and beam repairs \$60k-\$100k. To be determined.
3. Form a committee to study options for City Hall.

EXHIBITS:

- A. Report on Troutdale City Hall, Structural Repair Recommendations Dated Dec. 19, 2011
- B. City Hall Needs Assessment proposal from BBL – Cost \$16,030

Subject / Issue Relates To:

Council Goals

Legislative

Other (describe)
Utilization of City Hall

Issue / Council Decision & Discussion Points:

- ◆ While the study shows significant repairs are necessary, the good news is staff can utilize the building in the short term until a comprehensive plan is formulated.
- ◆ Options for renovation include reconstruction of the existing facility with alternatives and a do nothing option.
- ◆ If the council chooses the do nothing option there are significant ramifications including vacation of City Hall and the need for a replacement structure.

Reviewed and Approved by City Manager:

- Makes repairs to remaining portions of City Hall that have deferred maintenance.

Cons

- Only replaces current area and does not make up for ADA improvement reductions in area. (elevator, wider hallways and stairways)
- Does not include relocation costs during construction
- Full cost of 1-3 may exceed a complete rebuild of a wood structure City Hall to current size.

4. Do not make major repairs

- a. Continue to use City Hall while exploring options for moving to different location(s).
Requires immediate repair to roof. **Cost:** \$60,000 to \$100,000**

Pros

- Makes repairs to City Hall that are of an immediate concern for life safety.
- Avoids costly temporary relocation of staff while long range planning for City Hall is done.
- Continues use of council chambers as is.
- Least cost alternative.

Cons

- Continues risk of failure at City Hall as foundation and roof members degrade.
- Does not complete all roof repairs including rafters. Improves only Truss and beam.

- b. Do nothing**

Cost: Unknown

Pros

- None

Cons

- Substantial risk of liability as structure fails over time
- May require evacuation of City Hall with no fall back alternative

<p>Current Year Budget Impacts <input checked="" type="checkbox"/> Yes (<i>describe</i>) <input type="checkbox"/> N/A See options costs</p> <p>Future Fiscal Impacts: <input checked="" type="checkbox"/> Yes (<i>describe</i>) <input type="checkbox"/> N/A See options costs</p> <p>Community Involvement Process: <input checked="" type="checkbox"/> Yes (<i>describe</i>) <input type="checkbox"/> N/A May require community input</p>
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**Troutdale City Council Work Session
Troutdale Police Facility – Community Room
234 SW Kendall Court
Troutdale, OR 97060-2078**

Tuesday, November 18, 2014

1. Roll Call

Mayor Daoust called the meeting to order at 6:33pm.

PRESENT: Mayor Daoust, Councilor Ripma, Councilor Anderson, Councilor Thomas, Councilor White, Councilor Allen (via phone), and Councilor Wilson.

ABSENT: None.

STAFF: Craig Ward, City Manager; Erich Mueller, Finance Director; and Sarah Skroch, Deputy City Recorder.

GUESTS: See attached.

2. Discussion: A 20 Year Space Needs Assessment Report for a Potential New City Hall.

Erich Mueller gave a PowerPoint presentation to the Council. A copy is attached to the minutes as Exhibit A.

Leslie Hara Shick, and John Ralston, with HSR, gave a PowerPoint presentation to the Council. A copy is attached to the minutes as Exhibit B.

Mayor Daoust stated I'll open the meeting up to the Council for questions.

Councilor Wilson asked does this layout have everybody with an office or would some be modular to reduce the size?

Leslie Hara Shick replied it's a combination of walled offices and modular ones.

Councilor Ripma asked were these 6 layouts that you've shown us based on discussions with staff?

John Ralston replied these basically show the adjacencies and relationships and spaces that we learned about in our interviews with staff. Those aren't floor plans, those are relational diagrams to show what spaces are in that department and who needs to be close to whom.

Councilor Ripma asked was it based on what people would like to see in a City Hall?

John Ralston replied we asked what they thought they needed for a 20 year requirement within City Hall, within their work space, and what their ideal would be in terms of space and staffing.

Councilor Ripma stated the total comes out to 3 times bigger than old City Hall. I understand that your job is to collect the information and display it and I think you did a very good job of it. The basis of it looks to me like it's a wish list.

John Ralston replied at first they were really holding back and we told them that we need to know what they really think they needed with the caveat that it's very likely it could get cut back.

Mayor Daoust stated before we had a space needs analysis like this we were talking with Bremik Construction about a City Hall of around 10,000 to 15,000 square feet. What are the major differences that attributed to the 24,000 square foot size from your perspective?

Leslie Hara Shick replied I'm not familiar with the Bremik proposal. Did they include the recreation department? Because that would be about 3,000 square feet.

John Ralston stated there's an enlarged Council Chambers and Municipal Courtroom that seats 120 people with a foyer outside. There is a permit center rather than just small offices. There are storage areas, staff support areas, conference rooms, showers as well as restrooms, a break room, and a large storage area for general storage.

Craig Ward replied there are also more meeting rooms in this. The presumption of the other analysis, if you'll call it that, is I sat down with Dick Bohlmann our Building Official and I said how many square feet do we have in the existing City Hall for these functions and we did a very cursory review. It was a very minimalistic assessment based on the existing City Hall, not what we'd need in 20 years.

Mayor Daoust stated to summarize, the larger size we're at now is due to 3 conference rooms, the permit center, the recreation department, 10 additional positions, a slightly larger Council Chambers, and the records and storage area is much bigger.

John Ralston stated we discussed how records would be kept and stored. Within the individual departments they'd keep their current records and as soon as they are done with those they'd go to the Recorder's office to be microfilmed and placed in a secure records area.

Leslie Hara Shick stated we also added a small area for the public to view records that would be adjacent to the Recorder's office so that the public has access to public records but there is oversight so that the records don't mysteriously disappear.

Councilor Thomas stated I was surprised to see 2.5 to 3 times more space required. One of my concerns is that within the next 20 years the City will be built out and would we have a need for all of that, especially in the Planning Department? The other question I have is what were you figuring for the average work space size?

John Ralston replied a standard work station would be 8 feet by 8 feet. However when you go into the Finance Department the large amount of filing and materials that they have required us to go to at least an 8 by 10 work space.

Councilor Anderson stated we have a projected population growth of 5% over the next 25 years. Do we have a need for a 1/3 more staff if we're only going to grow 5%?

Craig Ward replied I think that is going to be the Council's decision. The Planning Department staff's the Planning Commission, the Citizens Advisory Committee, and the Historic Landmarks Commission. The opportunities for public engagement don't seem to be shrinking and we're not talking about a significant increase for them, 1 Planner and 1 Planning Technician. If you reach the conclusion that's too much then you can decide to eliminate 1 or 2 of those positions. One thing we heard loud and clear from other cities was they went through this kind of exercise planning their City Hall and scaled it down only to regret it. We can scale it down. It's not that we've done a big staffing analysis of where demand will increase. What we did was talk to each department and try to figure out how they feel. Also don't forget that 10 years ago 10% of our staff was laid off. Some of these staffing levels aren't particularly out of line with what we used to have. What we don't want is to make a presentation to you of a building that will be too small for our needs in the future. We know it has to be paid for, we know you're going to have to go to the public, and we fully expect you to scale some of these things back. That comes at a risk. We didn't feel that it was appropriate to come in at this time and present a scaled backed minimalistic proposal. We're not expecting for the Council to bless this tonight and we assume that we'll need another work session.

Leslie Hara Shick stated this information is for the 20 year needs. You can look and see where the areas are that you're going to grow between year 10 and year 20 and design into your building easy places to add onto the building or maybe adding on within the building rather than a new wing. So you have a phased plan so you can grow into the building. Maybe that means some of the areas are shelled out spaces that can be finished later.

Councilor White stated on the layout it showed an area for Mayor, Council, and Executive. Then it also has Council Chambers. It appears these are two separate areas. I think a space that we'd use so infrequently should have a dual purpose.

John Ralston replied the areas behind the Council Chambers itself is used for Council as well as for a jury deliberation room. There are bathrooms adjacent to it so the jury isn't leaving the area during deliberation times. It would have a small snack bar, refrigerator, and coffee maker so they aren't leaving for lunch.

Councilor White stated on the tour we noticed that lobbies can be a waste of space. I think we're looking for efficiency over grandeur. Another thing we wanted is for it to be approachable. I see lots of security and I didn't hear anybody talking about security in the Town Hall Meeting. I think we want an approachable City Hall. In some of them you feel like you're walking into FBI headquarters and it's very intimidating.

Craig Ward replied one city had meeting rooms that were behind security so in the evening when they had public meetings in that space, if you had personal items left out on your desk there's no way of providing security for those items. That's the level of security we're talking about. I don't anticipate although the Council will have to weigh in on this down the road, do we want our receptionist behind bullet proof glass? I can assure you that there are places with security at that level. I can also assure you that there are people working for the City right now that want more

security because they feel vulnerable when members of the public come in, court being an example, where they are intimidated by the people coming to the counter. I think that security is a bit over stated in how you are thinking of it. I think it's fair to have a counter and a counter to have a gate that is a form of security so the public knows where the public areas are and the private office areas are.

Councilor Wilson stated we have a 20 year needs plan but what are you expecting the life expectancy of the building to be?

John Ralston replied that would depend on the desires of the Council. I could see it being a building of the same quality as the Police Department which is a 50 year building.

Mayor Daoust stated what I'd like from the Council is if there are specific ideas or concerns that you question. Then we'll keep track of those so if we do decide to do a second work session then we know exactly what we're going to get back. If you want to look at not having certain positions then we need to provide that direction. We need to build the next product if we expect something different than we're seeing here.

Councilor Anderson stated I'm intrigued by the comment about building a shell and expanding as needed. Can you extrapolate on that a little bit?

Leslie Hara Shick replied there are a variety of ways to do that. There are areas you could have within that building that aren't completely finished. You're still paying for the shell but it would be more like tenant improvements so your saving some money there.

Councilor Ripma stated I didn't expect that tonight we would agree or give specific direction on the space needs for the City for 20 years. I wanted to hear the results of the staff input and see what was brought back. I didn't expect we'd whittle away at this tonight. If we were to agree that the space needs is a 2 acre site and a 24,000 square foot building, it would dictate the rest of the entire process that we're doing. I don't think we could afford a building like that and I don't think the public would go for a building like that. We need to be more realistic. I want to hear what everyone has to say but I don't want to give direction as to where to cut positions because we don't have the information we need to do that. What I don't want to do is box us in. Old City Hall at 7,500 square feet worked for us for 70 years and I'm not sure it's getting a fair treatment in an analysis that comes out needing a 2 acre site and 24,000 square foot building. I don't think we should be expected to give numbers tonight, that's not what I expected.

Councilor Thomas replied nor was it for me. I was expecting to hear a report and listen to the public comments. I wasn't expecting to trim this down tonight.

Mayor Daoust stated if we are going to have a second work session, I'd like to have something different to look. We can have a second work session but I don't want it to start from ground zero like tonight. The idea of giving direction as to which areas we're uncomfortable with makes a lot of sense to me.

Councilor Ripma asked when do we factor in the cost? We're renting space right now and we want to do what's sensible for the City. Just saying that we need 24,000 square feet before we do anything else and ignore the cost, it seems like the process is skewed.

Mayor Daoust replied they followed the process that we agreed to. They followed a square footage needs analysis not based on any particular site.

Craig Ward stated I expect this to be an iterative process. We will still have to address the old City Hall site head on. That site is more than it appears because we have a parking lot across the street from it and an unused lot behind it. The question is how do we put whatever we need to build on that site? We need to go through that exercise. We might be able to go up 3 stories there if we needed a full 24,000 square feet and provide the space needs on that property. I want to assure you that it's perfectly acceptable to go through that process. We need to have some kind of a clear position from the Council, if not tonight then at a future Work Session, about how many square feet you think is reasonable and defensible to the public. Then we'll apply that to the properties that you feel are the best candidates and then out of that we'll generate some cost estimates.

Councilor Anderson stated the Police building is 22,816 square feet. Would it be a safe assumption that the cost would be relatively in line with this building?

John Ralston replied yes based on a generic site not including soft costs, which can add up to 25-30%, which include architectural design, engineering, permitting, SDC's, legal expenses, equipment, furniture, computers, etc. You could be looking at \$250 to \$300 per square foot which is conservative for a building this quality. So you'd be looking at \$6 million for a 24,000 square foot building at \$250 per square foot or \$7.2 million at \$300 per square foot plus soft costs and any property costs that you might need.

Erich Mueller stated at \$250 per square foot at the 24,565 total square feet plus the 25% soft cost, you're at \$8,200,000. That is assuming a \$0 price for the real estate.

Councilor Anderson asked what are we being charged for the bond for the Police Facility?

Erich Mueller replied I believe this year it calculated out to be 31 cents per thousand of assessed value. It changes every year based on the debt service schedule and what the overall property values are in the city.

Councilor Wilson stated if we did that at about the time the Sewer Treatment Plant bond was done, it wouldn't really make a difference in people's taxes in fact it might even be cheaper.

Councilor Allen stated I appreciate the thought that you've put into this presentation. I like the idea of seeing the Recreation functions being moved from the CCB into a newer building. I also support the idea of getting out of the leases and getting out of having ourselves spread throughout the City such as bringing our documents storage in.

Councilor White stated I'd like to see us start saving funds for a City Hall before we get too far into going forward to voters with a bond. When we went on the City Hall tours almost every city saved up almost half of the required amount before they went to the voters.

Mayor Daoust stated now I'd like to open the meeting up to public comment.

Claude Cruz, Troutdale Resident, stated you might want to ask your architect to identify areas that are softer, more variable so that you can focus on where you want to apply the razor. Something that came up in the Town Hall meeting that I think held some promise was the prospect that maybe you can have 2 locations where you have the functions requiring public interface located downtown with more administrative functions located somewhere else where it may be less expensive space.

Cynthia Jacobson, Troutdale Resident, stated the recreation department takes up a huge amount of space. Most of the classes are held at Glenn Otto where you have that really great building that's not busy every day. Why would they need all of that additional space and outside space when you have really great parks here already.

Leslie Hara Shick replied what was done is basically replicate what they have right now at the CCB. The Recreation Manager has a small office, a small room for classes and a larger room for bigger classes such as yoga. We did not provide any outdoor spaces for recreation.

Craig Ward stated our Recreation Manager, Mollie, is located at the CCB. When you come in and need to pay you have to go to City Hall. If Mollie is gone and somebody has to cover for her, those are people in City Hall or me. Having those functions located in the same building would provide a lot of flexibility and enhance customer service. The other thing to realize is that the CCB doesn't have a long life span left. We can have different functions at different locations but what we've learned from our current configuration with staff spread out is that there are inefficiencies that come from having people separated. One of the drivers behind this plan is to coalesce many of them but not all such as Public Works and Police. We want to build it for the long term so that in 10 years when the roof finally goes on the CCB that we have a place for the Recreation Program to go. That could be an area where we could do an expansion.

Bruce Wasson, Troutdale Resident, stated what hasn't been discussed is the amount of buildable property that's left in Troutdale and whether or not it's going to be single or multi family. Secondly how much expansion in the way of annexation is the City of Troutdale going to be doing in the next 20 years. If we have a limited amount of buildable space, this amount of space in a City Hall seems a little bit of over kill. But if we'll do an expansion by annexation then this makes a little more sense. This hasn't been discussed. How much buildable property is left in the city limits of Troutdale? Are you going to turn some of the industrial stuff into buildable or is it going to stay industrial. \$8 million is a lot for a building and I think that if we're going to spend this kind of money then we should at least have some kind of idea how much expansion there's going to be in the future.

Councilor Anderson stated Metro has given us an estimate of 5% population growth over the next 20 to 30 years. In terms of buildable land, the single largest zoned area is the berry fields which are zoned single and multifamily.

Craig Ward stated the Councilor's have had active discussions about this and we cannot annex unless we can prove that we have need for more land to meet our growth requirements. We have to accommodate the growth. Right now we have additional undeveloped land where we don't need to expand our boundaries to accommodate the market demand that the region is requiring us to accommodate. It doesn't look like we're going to have any big expansions and there isn't a whole lot of room between the Gorge and our adjacent cities. We may have a little bit of

annexation allowed in the next 20 years but that would require a lot of growth that we aren't seeing right now.

A gentleman in the audience asked when this started how many people went out and looked at other City Hall's, how many did you visit, and did you go as a group or individually?

Mayor Daoust replied we went as a group. A couple of Councilors weren't able to attend but we were all invited. I think we went to 6 or 7 City Hall's in the Portland metro area including Oregon City, Fairview, Happy Valley, West Linn, and Wilsonville.

Cindy stated you say the cost is 3 or 4 steps down but as I'm sitting here listening to the discussions about \$8 million dollars, that becomes a real important issue for people like us. We live on a fixed income. When property taxes start going up you're going to be pricing me out of the area. I don't think that's really fair to the property owners. I like the idea where the City starts saving some of the money. That would make it a little more palatable. I think that idea should be looked very seriously in the budgetary part of this. I'm a big advocate of law enforcement but I felt \$7.5 million was a bit much for a town of 15,000. It concerns me when a town this size using \$7-8 million to build buildings that they need to work out of.

Mayor Daoust stated that's a great point. I think we were trying to get a handle on how much space we're talking about and how we'll pay for that is going to be a whole separate discussion. Whether we'll sell City property to help pay for or save \$2-4 million over the next 4 years in order to put towards a new City Hall and maybe finance the rest of it.

Jon Lowell, Troutdale Resident and Budget Committee Member, asked how in the world can you be thinking about funding a City Hall at \$8 million? I can't understand how you can afford to pay for the process of studying it.

Bob Strebin, Troutdale Resident, stated I would really like to see the numbers on what it would take to just simply cover the deficiencies of the current historic City Hall. They just made the announcement that it'll cost too much to fix it and we need a new one. I'd like to see what it would cost to bring it up to code. It's been a good City Hall for many years, maybe all we need to do is buy some more time.

Mayor Daoust stated we had an engineer and architect look at the foundation and roof. It was \$3.4 million to bring it up to code because the foundation was shifting.

Councilor Ripma stated we had another firm come out. They were the people that redid Wood Village City Hall and also work with Edgefield. They said that one is very salvageable and they quoted about \$1.3 million.

Bob Strebin replied I like \$1.3 million as opposed to \$8 million. I also don't like the additional \$8 million on my taxes which went up substantially for the Police Building.

Mayor Daoust stated keep in mind that the \$3.4 million or the \$1.3 million is just to bring it up to code. It's not to turn it into a City Hall.

Bruce Wasson stated I'd like to see 3 independent evaluations of that building. Just because that building is old doesn't mean it's broken beyond repair. Why is the foundation so bad?

Craig Ward replied because it's on unconsolidated material which I loosely attribute to a mud slide off of Mt. Hood. They said that we needed to put in sheet piling down 12 feet to reinforce the foundation. To do that we have to strip off the additions that were put on. The material that it's built on is not structurally sound and we have to get below that to put in new footings. The roof is also a problem because there was a fire in the 50's and some of the roof trusses were burned through 30% and subsequently we've put HVAC units up in that room, so the roof also has to be rebuilt.

Councilor Ripma stated the second bid didn't have as much of a problem with the foundation. The first people said it was going to fall down and the roof was going to cave in and we had to evacuate the City Hall. That's how bad it was a few years ago and that hasn't happened.

Mayor Daoust stated old City Hall is still one of the options that we're going to look at. It hasn't been dropped. As Mayor I look at that building and think that building is worth saving but what could it be used for. It doesn't have to be a City Hall. The City could make money off of it by leasing it out or it could be sold. I think we jump to the conclusion that if it's not going to be a City Hall then it's going to disappear and be torn down and that's not necessarily true.

A gentleman in the audience stated I'm not clear on when the City can make money and when they can't. I was under the impression that it was a problem for the City to make money. I'd be interested to know what we'd need to do to make money because that ultimately would tie into the property that you are talking about.

Jon Brown, Troutdale Resident, stated you mentioned saving some money. How are you going to do that? For years all I've been hearing is budget cuts. What is your plan for that?

Mayor Daoust replied plans are limited but one of the things that's recently come up is contracting with the Sheriff's Office. If we contract with the Sheriff's Office that would be \$800,000 to \$1,000,000 per year in savings. That's one option that hasn't come to reality yet.

Matt Wand, Troutdale Resident, asked what's the amount of space for the Clerks and Judge?

John Ralston replied the Judge's space was 8 by 8 feet and the Clerks spaces were 10 by 12 foot spaces.

Matt Wand stated it seems a little wasteful at \$250 to \$300 per square foot to build new space when all of us as tax payers in Multnomah County have already spent \$2,500 to build a brand new court house 3 miles away that has 2 court rooms and multiple offices that sits empty on most days.

Jon Lowell asked how much has this study cost us?

Erich Mueller replied I recalled a base of \$17,000 and additional time and materials depending on how many iteration the Council and public decide are necessary to go through before we move to the next phase.

Paul Wilcox, Troutdale Resident, stated first in the staff report it showed between 10,000 and 11,000 square feet currently occupied. I think part of the difference between the 11,000 and 25,000 can probably be accounted for in the additional 12 positions. You said there was a lot of space dedicated to storage with rows and rows of filing cabinets when you can store things digitally. There are places that have offsite storage.

Craig Ward replied we started out with a considerably larger area for storage and the City Recorder whittled that down into what she believed was necessary. Those numbers aren't casual and they assume that the storage is in convenient access to staff who is required to access it. Right now that is one of our problems, our storage is scattered around the city which means when our staff has to go get it, they're wasting time running around.

Claude Cruz stated we need to be very thoughtful about taking a 1.75 to 2 acre plot of the few plots that are available to us. I heard loud and clear the desire to co-locate in 1 location. I still urge that we look into partitioning to 2 pieces. I think that the fact that we'd like to have everything together does not preclude an efficient arrangement of segregating by function and with the data that has been provided about who needs to talk to who. It might also let us reuse the old City Hall for the public face part of City Hall functions and move some of the more administrative functions elsewhere. It's going to be more expensive in the prime downtown areas than it is potentially elsewhere.

Mayor Daoust replied that's an interesting concept that 2 buildings may be more efficient than 1.

Leslie Hara Shick replied one of the difficulties is that a lot of the people in the City have 2 roles so even though they may be in records they also help at the front counter. They're seeing those kinds of inefficiencies now when they are separated in the different locations. So they are having to go down the street to cover for things like lunches and breaks.

John Ralston stated also in this configuration with everything in one space you have shared common spaces that are shared among all the departments such as conference rooms, lunch room, restrooms, etc. If you have 2 locations then you'll have to duplicate that.

Carol Allen asked why are we talking about showers? I've worked in professional buildings and there are no showers.

John Ralston replied that was a request by some of the staff that like to go for a run during lunch or that will be riding their bicycles into work and would like to take a shower. That would be in a single toilet room you would have room for a single 3 foot by 3 foot ADA accessible shower and a number of lockers that are shared. That may be something that the Council decides they don't want.

Gene Bendt stated I'm concerned about the statement regarding saving \$1 million per year. When I was here in May I was of the belief that if the Sheriff's Department took over the policing that \$800,000 to \$1,000,000 would go exclusively to paying down the existing bond. I also wanted to say that I think Mr. Wand's comments about using the Multnomah County Court facilities is a great idea. With the space that is left you need to maximize open space and minimize interior walls and private spaces. Those open spaces could easily be manipulated and rearranged to add a

multitude of growths in different departments and the ability for those to be privatized and sound proofed exists today. For things such as restrooms, which are a costly feature, you could make 1 of for the entire facility. You could also add card activated security on the specific doors to keep the public out of restricted areas.

Josh Moriarty, Troutdale Resident, stated in the next 10 years we're going to have a lot of building activity in the City of Troutdale. Councilor Anderson asked about shell space. I work for the Port of Portland and we built a headquarters about 3 years ago and we went through an extensive space needs process. I remember when we moved into the building hearing that we had maybe 30% more space than was needed, some of which was shell space. Three years later we're bulging at the seams and the shell spaces are being built out. Things change quickly even in non-growth projections. While I do see a lot of opportunity here to massage that 24,000 square feet, it's a good word to the wise about not building too small. There was discussion when this first started about the process. It's my recollection that this process was laid out in the beginning and that City Council agreed to that process. I'm sensing that not everybody buys into that still.

Mayor Daoust replied we did agree to a process. Phase 1 was the needs analysis, Phase 2 is a site options study, Phase 3 is a schematic design, and Phase 4 is the design development. We do have a process and a timeline to go along with it.

Councilor Ripma stated I knew we were going to talk about space first and follow this series of steps but I thought we were going to talk about what was sensible and not what is ideal. Regarding location, I thought we were deciding on should the City Hall be downtown or someplace else and shorten the list but not make a final decision before we go on to the design. The big thing that is going to drive everything is cost. I'm all for an open process but we shouldn't slavishly keep to it in such a way that it drives us to a single location with a 24,000 square foot building that's going to cost us more than we can afford. I want it to be flexible and I always thought it would be.

Councilor White stated I agreed to a process but I also want to be careful of how that process is managed. I've been saying since day 1 that we need to mimic the citizen group that got this building built. I think they did a very good job on that. When you have that kind of public support you're going to have the best bang for your buck.

Marianne Daoust, Troutdale Resident, stated there's a huge difference between what happened with the Police Bond Measure process and the people involved with that and the actual reality of what we have now. We had a community that trusted the people that were running the campaign. We trusted each other and we worked together as a group. We didn't always agree but we moved on and forward. I feel like that's changed. I feel like things are different now and that's something the Council will be dealing with for a very long time. That campaign just had a very strong foundation of people who worked well together.

Larry Morgan, Troutdale Resident, asked are there other entities that have bonding capacity that could build the City Hall for the City of Troutdale?

Craig Ward replied we were approached by Home Forward which I believe was formerly the Portland Housing Bureau. Their point to me was that they have bonding capacity but their primary mission is housing. With that bonding capacity comes the caveat that they have to build it as part

of a mixed use structure in the form of work force housing. They have approached us several times. That is the only option I know of short of leasing.

Jon Lowell stated I'd like to encourage the City Council to look at this timeline and put the funding part first because we need to know what we can afford before we can create a building so you can tell these people what the boundaries are.

John Ralston stated we've gotten to this point where we've asked the staff what they think they need. Now the City Council needs to say ok but this is what we can afford. Now we have the tools to look at what can be cut back and make recommendations to be where you think it needs to be.

Erich Mueller stated the process that was proposed was designed to be flexible. It was designed to have abundant public input because this process is not a simple straight forward one. We expected this first stage would generate lots of questions. This is exactly what we intended for tonight. We didn't anticipate having a decision. The timeline is not locked in stone. The rough cost estimates that you can work with are \$250 to \$300 per square foot and once we get into a next stage of refinement we can get a further refined cost. Ultimately what it's going to cost will be based on the decisions. How we afford it will depend on what choices are made downstream.

Councilor Wilson stated what I've heard a lot tonight is that they want the old City Hall really looked at and I think we owe it to them. I think we should at least have the building looked at by 3 independent companies to see what it would cost to repair it and what the life expectancy would be.

Councilor Thomas stated you could also look at expanding to the back of the building to get more office space.

Councilor Wilson stated there will be a cost to have people come out and do that just like there's a cost for a design. I don't know what the cost is but are you guys willing to make an investment in it?

Councilor Ripma stated I'm in favor of doing that.

Marianne Daoust stated I understand the historical value of that building. If you're thinking of having 3 bids to look at that one location, why aren't you including other locations? If you do that is looking at other spaces not a valid direction? I'd be worried about that.

Councilor Ripma stated other spaces require us to build new unless we decide we're going to lease an existing building which I don't really want to do. That's what we're doing now. What we don't have is a realistic look at the old City Hall. We own the building and land and if it turned out to be sensible we could figure out how many of these functions can fit in there. If you want to carry on with this process of trying to whittle down space needs at the same time, I'm all for that too.

Mayor Daoust stated the reason we have this process set out in a timely fashion like this is so we don't jump to conclusions. I'm cautious that we spend a lot of money looking into the old City Hall and it may not prove to be feasible at all. There may be other buildings that we could move into

that are options that we haven't talked about yet. I don't want us to shortcut the public process and focus too much on 1 alternative. It's ok to gather information. If we need another firm to look at old City Hall we can do that.

Josh Moriarty stated I just ask that if you do get another 3 bids that before you do that, somehow everyone agrees to accept those values where they haven't accepted the previous 2. I hate to see us spend money to do 3 more and people not like the answer and start throwing stones at it again.

Councilor Thomas stated I think the piece that is missing is that we really don't have an accurate set of numbers for the old City Hall. Until you can answer that question, you're never going to be able to satisfy anything down the road. I think you need a definition of what it is to refurbish that City Hall or refurbish and add on to it. The advantage is you're not buying property in addition to the cost.

John Ralston stated if you're going to get prices from contractors you need to have apples to apples comparisons. You're going to give them some information on what level of remodel is going to be required, what the finishes are going to be, and are you going to add on to the back. So you have a document that they're basing it on.

Councilor Ripma asked as a next step could you take a look at the old City Hall and see if you could make it a logical plan, not a design down to the last screw and nail but a sensible layout? Take a look and see how many of these functions can fit into it. Then that could be what is analyzed for 1 more appraisal.

John Ralston replied that's exactly what the next step is. You can decide what sites to look at.

Councilor Ripma stated except on the plan it says site selection for further design. What we're saying is see what can fit in City Hall and then let's see if it can be done and get a fair estimate or two to get realistic numbers. I love the old City Hall but I also want it be sensible and if it isn't sensible to do then I'll give it up.

Mayor Daoust stated the point that John made was important. If we're going to have a reappraisal of old City Hall it's got to be apples to apples with building a brand new City Hall. What are you going to tell an appraiser to build into cost assumptions of the old City Hall?

Matt Wand stated at the old City Hall 70 years ago we didn't have the American's with Disabilities Act. It just seems to me that people in wheel chairs or are otherwise disabled ought to have equal access to our City Hall.

Councilor Ripma replied it will be ADA compliant or we won't refurbish it.

Craig Ward stated we'll need to have HRS go back and evaluate the building and the site because what I was told by the building official is that the street is not ADA compliant because the slope of the hill is not ADA compliant. It doesn't mean that we couldn't make it but I don't know how we'd do that but it's a pretty fundamental problem. You can put elevators in and do various things but they have to be able to park in a parking space that is safe.

Erich Mueller stated I fully understand that we need to properly evaluate repairing old City Hall. One of the fundamental pieces that has to be settled first is the first set of evaluations was done by a structural engineer, a geotechnical testing engineering firm, and an architect. One of the issues that has to be addressed is that their report talked about the piles that Mr. Ward mentioned earlier and that the additions would have to be removed in order to do those repairs. In order to do those repairs you're going to have to tear down 1,526 square feet of that existing 7,300 square feet that we're talking about. The letter that we received from the second firm didn't have as much of a concern about the foundation. That's the fundamental issue that has to be solved before you can ever begin to say how much square footage you have to program into. Regarding the roof piece, the reason it hasn't fallen down is because we spent \$18,000 on scaffolding that's still holding the roof up in the Council Chambers. If the Council's direction to staff is to go have another structural analysis done and then have contractors come bid based on that analysis, staff can certainly do that. This timeline can just be paused.

Councilor Allen stated it sounds like the topic of old City Hall should be another work session to decide whether or not to go forward with that. If we were to build new I think it's an important note to have the 2 bonds mature, which I think happens in 2018. I believe those are of greater value than what we're talking about for a City Hall.

Bob Strebin stated the thing that really hasn't been discussed is that hopefully the citizens will be voting on this. My taxes went up quite a bit to pay for this building and if add another amount on it may not pass.

Mayor Daoust replied they'll vote on any bond.

Frank Windust, Corbett resident, stated it looks like the biggest draw back to the old City Hall is parking. There is a parking problem there now and it'll be expanding due to the winery going in across the street. Bremik is going to develop 14 townhouse plus some commercial space. If you look at 2nd Street where I built those townhouses, everyone has 2 to 3 cars and none of them park in the garage. The old building just to the south of City Hall, they have parking and there are about 14 units there and they park along the street. I'm not sure where the staff is going to park. Across the street to the north there are weddings going on.

Councilor White replied you may not be aware that the City purchased the home that was behind City Hall. I don't know how much additional space that is but it would also solve the problem with handicapped parking because that is a flat surface.

Craig Ward stated my suggestion is that I take the comments about old City Hall to heart. I think we do seriously need to evaluate it. But the apples to apples comparison is also critical. Right now we have a 24,000 square foot estimate that I know a lot of you have questions or concerns about. We need to shrink that down and we need policy direction from you. Let's squeeze it down so we can at least get a rough approximation of what you think you can explain to the public as reasonable and the square footage that attaches to that.

Councilor Anderson stated I've heard a lot tonight and I need to digest it. I'd like a little more time.

Councilor Ripma stated my suggestion to get our square footage closer to our current 10,000 square feet.

Craig Ward replied the answer is yes but we're going to ask you to bring it down.

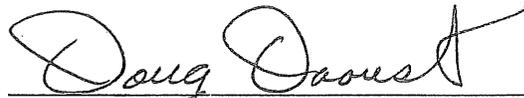
Mayor Daoust stated the areas that people have mentioned that we could discuss at the next work session would be the Municipal Court need, the Council Chambers size, the Planning Department positions, Administrative Support position, the lobby size, the number of private rooms versus cubicles, and the Recreation space. We need to have another work session particularly looking into the old City Hall.

Craig Ward replied I'd like to talk with HSR about that and get their recommendations to bring to a work session.

3. Adjourn

MOTION: Councilor Wilson moved to adjourn. Seconded by Councilor Ripma. Motion passed unanimously.

Meeting adjourned at 9:48pm.



Doug Daoust, Mayor

Dated: 1/15/15

ATTEST:



Sarah Skroch, Deputy City Recorder

CITY OF TROUTDALE
CITY COUNCIL – Work Session
Tuesday, November 18, 2014

PLEASE SIGN IN

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